



**MINUTES OF THE MEETING
OF THE
GOVERNANCE COMMITTEE**

March 20, 2018

Table of Contents

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
Introduction	2	
1. Adoption of the March 20, 2018 Proposed Meeting Agenda	3	
2. CONSENT AGENDA:	4	
a. Approval of the Minutes of the Meeting held on December 12, 2017	5	
b. Annual Review and Approval of Guidelines for Procurement Contracts, Disposal of Personal Property and Expenditure Authorization Procedures	6	2b-A - 2b-A-1 2b-B - 2b-B-1 2b-C - 2b-C-1
c. Real Estate Reports	8	2c-A - 2c-C
d. Annual Review and Approval of Certain Authority Policies	9	2d-A
e. 2017 Annual Board of Directors Evaluation Pursuant to Sections 2800 and 2824 of the Public Authorities Law and Guidance of the Authorities Budget Office	10	2e-A
f. Ethics and Compliance Program and Utility Operations Technical Compliance Report	11	
3. DISCUSSION AGENDA:	17	
a. Procurement and Related Reports	17	3a-A - 3a-G
4. Next Meeting	19	
Closing	20	

Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:00 a.m.

The following Members of the Governance Committee were present:

Eugene L. Nicandri, Acting Chair
Anthony Picente, Jr.
Dennis Trainor

Dr. Anne Kress - Excused
John Koelmel - Excused

Also in attendance were:

Tracy McKibben	Trustee
Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Kristine Pizzo	Senior Vice President - Human Resources and Enterprise Shared Services
Soubhagya Parija	Senior Vice President and Chief Risk Officer
Angela Gonzalez	Senior Vice President - Internal Audit
Robert Piascik	Senior Vice President and Chief Information Officer
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics & Compliance Officer
John Canale	Vice President - Strategic Supply Management
Ruth Colón	Vice President - Enterprise Shared Services
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Jaiah Gottor	Lead Network Analyst – Infrastructure
Glen Martinez	Senior Network Analyst – Infrastructure

Acting Chair Nicandri presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Acting Chair Nicandri welcomed committee members and Authority senior staff to the meeting. He said the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Governance Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

Upon motion made by Trustee Picente and seconded by Trustee Trainor, the Agenda for the meeting was adopted.

2. CONSENT AGENDA:

Acting Chair Nicandri said that, with the concurrence of the Committee members, the item titled *"Procurement and Related Reports"* will be moved to the Discussion Agenda.

Upon motion made by Trustee Trainor and seconded by Trustee Picente, the Consent Agenda and Reports provided by staff to members of the of the Governance Committee were approved, as amended.

a. **Approval of the Minutes of the Meeting held on December 12, 2017**

Upon motion made and seconded the Minutes of the meeting held on December 12, 2017 was adopted.

b. Annual Review and Approval of Guidelines for Procurement Contracts, Disposal of Personal Property and Expenditure Authorization Procedures

The Vice President of Strategic Supply Management provided the following report:

"SUMMARY

This report is to request that the Governance Committee review and recommend for approval by the full Board of Trustees the revised Expenditure Authorization Procedures ('EAPs'), and Guidelines for Procurement Contracts and for the Disposal of the Authority's Personal Property, respectively. The Governance Committee is also requested to review and recommend for approval by the full Board of Trustees the revised EAPs, and Guidelines for Procurement Contracts and for the Disposal of Authority Personal Property, respectively.

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President of Strategic Supply Management is required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and other staff to prepare additional reports and to produce documents for the Committee's review.

The following are changes to the Guidelines for Procurement Contracts as fully detailed in Exhibits '2b-A' and '2b-A-1':

1. The addition of certain definitions, including 'Disadvantaged Business Entity,' 'Operations and Maintenance' and 'Capital Projects.'
2. Clarification of certain solicitation requirements, specifically noting how prospective bidders may be prequalified for invitation to NYPA's procurement events.
3. Adding the value of contracts (as \$5,000 or greater) to Section 6, 'Award of Contract,' Sub-sections A, B and C, respectively, to align the Award section with the definition of a procurement contract. This will serve to clarify that multi-year awards on contracts less than \$5,000 are not to be escalated for Trustee review and approval.
4. Adding the Contract Appendix 'P,' 'Information Security Requirements for Vendors and External Partners' which addresses an update concerning Cyber Security, and more specifically, compliance with New York State Internet Security and Privacy Act, NY State Technology Law § 201 et seq. and the Notification of Unauthorized Acquisition of Private Information, NY Gen. Bus. § 899-aa.
5. There were minor edits to Section 10, 'Supplier Diversity Program Requirements' to clarify requirements and deliverables.
6. Finally, Section 12, 'Disadvantaged Business Enterprise ('DBE') Program Requirements on Projects that are Federally Funded' was added to address requirements on certain Federal funded projects (mainly for Canal Corporation.)

The following are changes to the Guidelines for the Disposal of Personal Property as fully detailed in Exhibits '2b-B' and '2b-B-1':

1. There are minor grammatical error corrections.

2. Under Section IV, 'Transactions Not Covered' there are two changes:
 - a. Will now include Canal Corporation locations such that transfers of personal property between NYPA and Canal Corporation are the same as transfers of personal property among NYPA facilities; and
 - b. Clarifies that disposals of natural gas are covered by the Authority's Energy Resource Management Fuels Procedures.

In accordance with Article VII, Section 5 of the Authority's By-Laws, the Trustees '...shall adopt expenditure authorization procedures which shall govern the annual budget, capital expenditure plan, contract executions and all approval authorizations.'

The full Board of Trustees has not adopted NYPA's EAPs since 2015, and good governance dictates that these revised EAPs (attached as Exhibit '2b-C' and '2b-C-1') be presented for Board approval. These exhibits include a clean and original version as redlining was not viable based on the nature of the changes made. The proposed revisions include edits from multiple internal stakeholders made through a collaborative effort to update and simplify the EAP standards.

The reported activities are governed by various state laws and regulations and are set forth in the attached Reports.

DISCUSSION

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Authority's Governance Committee reviews the Guidelines for Procurement Contracts and the Guidelines for the Disposal of Authority Personal Property annually, and approves any changes to such Guidelines. Further, good governance dictates that the Authority's EAPs be reviewed for approval by the Trustees. These Guidelines and EAPs have been amended as deemed advisable and necessary.

FISCAL INFORMATION

There will be no financial impact on the Authority.

RECOMMENDATION

The Governance Committee is requested to review the revisions to the respective Guidelines and EAPs (as set forth in the copies attached hereto as Exhibits '2b-A' through '2b-C-1') and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 20, 2018."

c. Real Estate Reports

The Vice President of Enterprise Shared Services submitted the following report:

SUMMARY

This report is to advise the Governance Committee of certain 2017 activities of the Real Estate Division regarding the acquisition and disposal of real property.

The Governance Committee is also requested to review and recommend for approval by the full Board of Trustees revised Guidelines and Procedures for the Disposal of Authority Real Property and Guidelines and Procedures for the Acquisition of Real Property by the Authority.

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President – Procurement and the Director – Real Estate are required to report to the Committee at all regularly scheduled meetings, and the Committee has the authority to require Real Estate staff to prepare additional reports and to produce documents for Committee review. Due to staff reorganization, the Real Estate Division now reports to the Vice President – Enterprise Shared Services. The position of Director – Real Estate has been replaced with the Manager – Corporate Real Estate. The 2017 Real Estate reports are being submitted by the Vice President – Enterprise Shared Services.

The reported activities are governed by various State laws and regulations and are set forth in the attached Reports.

DISCUSSION

The Report of the Acquisition and Disposal of Real Property for the period January through December 2017 is attached hereto as Exhibit '2c-A.'

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Authority's Governance Committee reviews the Guidelines and Procedures for the Disposal of Authority Real Property (attached hereto as Exhibit '2c-B') and the Guidelines and Procedures for the Acquisition of Real Property (attached hereto as Exhibit '2c-C') by the Authority annually, and approves any changes to such Guidelines. These Guidelines have been amended as deemed advisable and necessary, and reviewed and approved by the full Board of Trustees annually, most recently on March 21, 2017. There are no material changes to the 2018 Guidelines. The Governance Committee is requested to review the respective Guidelines and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 20, 2018."

d. Annual Review and Approval of Certain Authority Policies

The Senior Vice President of Human Resources and Enterprise Shared Services submitted the following report:

"SUMMARY

The Governance Committee is requested to review and recommend the adoption of the Authority's Performance Improvement Policy (EP 4.2) (Exhibit '2d-A') to the Trustees pursuant to Section C(1)(e) of the Governance Committee Charter.

The Governance Committee is also requested to recommend that the Trustees delegate to the President and Chief Executive Officer the authority to modify this policy, as necessary, except in the event that any powers, duties or obligations of the Trustees would be affected by such modification.

BACKGROUND AND DISCUSSION

Section C(1)(e) of the Governance Charter requires the Committee to periodically review, and, as necessary, recommend changes to the Authority's written corporate policies. Section 2824 of the Public Authorities Law and the Authority's By-laws require the Authority's Trustees to, among other things, establish written policies and procedures on personnel.

The Authority's policy relating to Performance Improvement (EP 4.2) is before the Committee for review and recommendation to the Trustees.

RECOMMENDATION

It is recommended that the Governance Committee review and recommend the adoption of the Authority's Performance Improvement Policy (EP 4.2) by the full Board of Trustees as required by Section C(1)(e) of the Governance Committee Charter Policy EP 4.2 – Performance Improvement.

It is also recommended that the Governance Committee recommends to the Trustees that the President and Chief Executive Officer be authorized to modify the foregoing policy, as necessary, except in the event that any powers, duties or obligations of the Trustees would be affected by such modification."

**e. 2017 Annual Board of Directors Evaluation
Pursuant to Sections 2800 and 2824 of the
Public Authorities Law and Guidance of
the Authorities Budget Office**

The Chair of the Governance Committee submitted the following report:

SUMMARY

The Governance Committee is requested to recommend that the Authority's Board of Trustees approve the annual Board of Directors evaluation summary for 2017 (Exhibit '2e-A') and authorize the Corporate Secretary to submit the summary to the Governor, legislative leaders, the State Comptroller and the Authorities Budget Office ('ABO') pursuant to Section 2800 of the Public Authorities Law, as amended by the Public Authorities Accountability Act of 2005 ('PAAA'), within 90 days of the close of the Authority's fiscal year.

BACKGROUND

The 2009 Public Authorities Reform Act requires that the board of every state and local public authority conduct an annual evaluation of its performance. Board member comments are protected from disclosure under Article 6 of the Public Officers Law, but the results of the assessment are to be provided to the ABO. To the extent that the results of this evaluation demonstrate the need for the board to improve its performance, amend its practices or procedures, or clarify its expectations of board members, the board is expected to implement suitable corrective actions immediately.

FISCAL INFORMATION

There is no anticipated fiscal impact.

RECOMMENDATION

The Governance Committee is requested to recommend that the Authority's Board of Trustees approve the annual Board of Directors evaluation summary for 2017 and authorize the Corporate Secretary to submit the summary to the Governor, legislative leaders, the State Comptroller and the Authorities Budget Office ('ABO') as required by Public Authorities Law Section 2800."

**f. Ethics and Compliance Program and Utility
Operations Technical Compliance Report**

The Vice President and Chief Ethics & Compliance Officer and the Vice President of Technical Compliance submitted the following reports:

ETHICS and COMPLIANCE

SUMMARY

The Office of Ethics and Compliance ('E&C Office') advises NYPA's trustees, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards relating to NYPA's employees and operations. It coordinates the investigation of allegations and concerns involving NYPA's assets and employees. This report highlights significant developments in NYPA's ethics and compliance program for the period December 12, 2017 to March 20, 2018.

BACKGROUND

The principal substantive issues arising under the NYS ethics laws and NYPA's Code of Conduct investigated or researched since the most recent Governance Committee report on December 12, 2017 include various requests to engage in outside activities and employment, several allegations, gifts reporting, paid volunteer time reviews, nepotism and post-employment analyses.

DISCUSSION

Annual Review

The Ethics & Compliance Office reviewed 309 inquiries during calendar year 2017, a slight increase over the 2016 total of 303 cases. There were 77 outside activities reviews, including 28 Paid Volunteer Time ('PVT') requests. Under the PVT Employee Policy, management employees may take up to two days of paid time off each year to volunteer their time to charities and other established not-for-profit organizations. Many of these requests are for departmental groups to volunteer together on a project to foster professional relationships and teamwork to enhance productivity in the office.

In addition, the E&C Office investigated 21 allegations of wrongdoing and evaluated 59 outside employment requests, 30 post-employment scenarios, 42 gifts reviews and 39 unwarranted privilege questions. These cases originated from all of NYPA's locations and included questions from individual contributors, managers, executives and members of the Board of Trustees. The following chart illustrates cases by location and type for calendar year 2017.

Column1	Albany	BG	CEC	Niagara	SENY	STL	WPO	TOTALS
Allegations	0	1	0	2	0	7	11	21
Appearance of Impropriety	0	0	1	0	0	1	2	4
Conflict of Interest	1	1	0	2	0	5	5	14
General Inquiries	0	1	0	0	0	1	5	7
Gifts	1	2	1	8	0	0	30	42
Nepotism	0	4	0	1	1	1	3	10
Outside Activities	5	1	4	8	0	14	45	77
Outside Employment	1	8	7	8	1	3	31	59

Post Employment	1	1	0	1	1	0	26	30
Unwarranted Privilege	0	0	1	5	0	4	29	39
Use of Assets	0	1	1	1	0	1	2	6
TOTALs	9	20	15	36	3	37	189	309

Selected Cases

The E&C Office addressed two inquiries related to a proposed solar farm in Northern NY. In the first instance, a former NYPA employee who is currently appearing before NYPA as an employee of a vendor was appointed by an elected official in his community to serve on the siting board review committee for the proposed solar installation. The E&C Office conducted a dual review, first concerning his appearance before NYPA on behalf of the vendor as it relates to the NYS Public Officers Law and NYPA Code of Conduct post-employment restrictions, and second, as it relates to any conflict of interest or appearance of impropriety that may result due to his current work at NYPA and the potential for this solar farm to eventually tie in to NYPA's transmission system. It was determined that no post-employment restrictions were violated as the former employee had separated service more than two years prior to the commencement of the current vendor contract agreement, and the lifetime bar was not triggered because the work awarded to this vendor was never contemplated nor performed during this former employee's career at NYPA. It is expected that this NYPA project will be complete in the next 12 months.

The second review relating to the proposed solar farm involved a current NYPA employee who previously sought and received permission to serve as the elected Town Supervisor for one of the communities potentially impacted by the proposed project. In his role as the Supervisor of his community, he was asked to appoint members of his town to the same solar farm siting board. The employee followed the suggested guidelines provided by the State and appointed several members to the siting board. Thereafter, he notified NYPA's E&C Office of his actions and requested further guidance. The E&C Office instructed him to formally recuse himself in his elected outside position from any additional discussions or activities related to the siting of this potential solar installation.

All appointees of siting boards are submitted to the State for selection to the final siting board. The State has the ability to select one or all from the names submitted for review. At this time, the State has not selected any members to the siting board committee.

The E&C Office provided guidance to the former NYPA employee and current vendor representative that he should formally recuse himself from any discussions related to NYPA in the formal minutes of any and all board meetings if he is selected by the State to serve on this committee. The E&C Office instructed the current NYPA employee and town supervisor that he should select a member of his town staff to lead any discussions or work groups related to this proposed solar farm and should recuse himself on the official record of Town board meetings whenever this item appears on the official agenda or is raised in open sessions of the board.

A member of the Northern New York Power Proceeds Allocation Board ('NNYPPAB') self-identified a potential conflict of interest prior to a recent meeting in connection with a potential award to a firm which had previously appeared before the NNYPPAB board member's private employer for a sales tax exemption incentive and which was approved. The board member disclosed this potential appearance of impropriety to the Corporate Secretary's Office to ensure that the record reflected that he was not pre-disposed to take any action based on the firm's prior appearance before his employer. It was determined that no conflict of interest existed because the board member's personal interests are separate from any positions he takes as part of his official job duties, therefore he had no personal conflict of interest. The member had no personal or financial interest in the entity seeking an award from the NNYPPAB. Similar situational

analyses have guided prior conflict of interest scenarios related to members serving on external NYPA boards.

The chart below illustrates the most recent case totals from the last report to the Governance Committee.

	Albany	BG	CEC	Niagara	SENY	STL	WPO	TOTALS
Allegations	0	0	0	1	0	2	1	4
Appearance of Impropriety	0	0	0	0	0	0	1	1
Conflict of Interest	0	0	0	0	0	0	2	2
General Inquiries	0	0	0	0	0	0	3	3
Gifts	1	0	1	2	1	0	8	13
Nepotism	0	2	0	0	0	0	1	3
Outside Activities	0	1	1	1	2	1	17	23
Outside Employment	3	1	3	3	2	1	7	20
Post-Employment	0	0	0	0	0	0	7	7
Unwarranted Privilege	0	0	0	1	0	1	13	15
Use of Assets	0	0	0	0	0	0	0	0
TOTALs	4	4	5	8	5	5	60	91

Internal Collaboration

The E & C Office continues to provide support to the Internal Audit Department as it plans for upcoming quarterly audits and assessments by providing historical knowledge and case updates for key subject areas, including fraud and other activities which have led to corrective actions. This collaboration also provides an opportunity to update Internal Audit staff regarding ongoing ethics and compliance principles and trends which may be instructive to the group as it develops more comprehensive audit plans that include ethics and compliance controls.

Collaboration with the New York State Inspector General's Office and Other External Agencies

NYPA continues to collaborate with the NYS Inspector General's Office and other external federal and state agencies in performing investigations of referred cases and providing requested documentation or information related to ongoing investigations. The E&C Office is NYPA's liaison for coordinating compliance with investigations affecting NYPA and its business partners.

Training and Outreach

The Public Integrity Reform Act of 2011 ('PIRA') requires the presentation of an initial Comprehensive Ethics Training Course ('CETC') to NYS Joint Commission on Public Ethics ('JCOPE') Financial Disclosure Program participants and refresher training of those employees who have already completed the CETC every three years thereafter.

The E&C Office provided live training in the White Plains Office and teleconference and video-conference sessions for employees working at operating facilities and serving on external governing boards such as the Economic Development Power Allocation ('EDPAB') and the Northern and Western New York Power Proceeds Allocation Boards ('NNYPPAB' and 'WNYPPAB'). In all, 204 employees and members of NYPA's external boards received the CETC and/or the Comprehensive Ethics Seminar during calendar year 2017.

There is no longer a requirement to certify to these training statistics annually with JCOPE. Compliance is monitored monthly, and employees requiring training receive delinquency

notices directly from JCOPE each month until such time as their profiles reflect that their training requirements have been met.

The E&C Office also coordinates required training for designated employees to comply with the Federal Energy Regulatory Commission's ('FERC') Standards of Conduct relating to transmission and energy marketing functions and FERC Rules designed to prevent manipulation of energy markets.

Financial Disclosure

Mandatory Financial Disclosure certifications for NYPA, EDPAB, NNYPPAB and WNYPPAB were submitted to JCOPE by the statutory deadline of February 28, 2018.

NYPA reported 909 employees in the Financial Disclosure program. Of those, there were 193 designated policy makers, 404 salary threshold filers and 312 employees serving in title exempt positions or having received individual exemptions.

The E&C Office continues to provide on-going guidance and information to participants in the Financial Disclosure program. Trustees and employees will receive internal notification regarding filing requirements and deadlines via email in late March, followed by official notification from JCOPE in April. Filings are due on May 15, 2018.

Project Sunlight

Project Sunlight is a publicly available database originating from the 2011 PIRA legislation and requires all agencies and authorities to submit information related to meetings between state agencies and authorities and private sector businesses and citizens under five specific categories; procurement of goods and services, ratemaking, the adoption or repeal of a rule or regulation, judicial or quasi-judicial matters and regulatory matters. NYPA made 168 entries in the Project Sunlight database during calendar year 2017, and has a total of 974 entries since the database's inception on January 1, 2013.

Compliance Activities

Among various Public Authorities Reform Act ('PARA') statutory requirements, there are certain reports and other information which are legally mandated to be filed with external stakeholders and posted on the NYPA's website while being kept current throughout the year. The E&C Office collaborates with Business Services and the Law Department while working with the designated NYPA compliance owners to coordinate the identification and posting of these required documents to ensure NYPA's PARA compliance.

The E&C Office completed its annual review of all Federal and New York State reporting and training requirements. This information has been certified to be accurate by the applicable Authority business units heads, and both the information and certification have been archived in Content Server.

The E&C Office has developed and deployed two FERC training programs, the FERC Standards of Conduct and the Anti-Manipulation of the Markets. Employees designated to complete these training requirements are in compliance with the requirements.

The E&C Office assisted the Reliability Standards and Compliance ('RS&C') team in preparation for the North American Electric Reliability Corporation Critical Infrastructure Protection ('NERC CIP') audit and participated in the audit in Utica last December. This critical audit resulted in no violations assessed against NYPA.

The E & C office continues to assist the RS&C team with ongoing NERC Reliability investigations of potential violations in accordance with established procedures.”

RELIABILITY STANDARDS COMPLIANCE

“SUMMARY

This report highlights important aspects of NYPA’s NERC Reliability Standards compliance management program for the period December 12, 2017 to March 20, 2018. A brief background statement is followed by discussion of specific Reliability Standards-related topics affecting the enterprise.

BACKGROUND

Background information related to the origin of the North American Electric Reliability Corporation (‘NERC’) mandatory standards for reliability and NYPA’s obligations to demonstrate compliance with the standards has been presented in previous reports to the Governance Committee.

DISCUSSION

Investigations of Possible Violations

During the reporting period, Technical Compliance is reviewing one (1) investigation of a possible violation of the NERC Reliability Standards.

1. CIP-004 Cyber Security - Personnel & Training: NYPA is responsible for implementing cyber security training to individual employees who have authorized electronic or authorized unescorted physical access to BES Cyber Systems. Upon review it was noticed that some employees had expired training and their electronic/ physical access to BES Cyber Systems had not been revoked. The investigation is under review and pending a final determination.

This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

NERC Alerts

NERC disseminates information that it deems critical to ensuring the reliability of the bulk power system via ‘alerts’ designed to provide concise, actionable information to the electric industry. During the reporting period, NERC did not send out any alerts to the industry.

Risk-Based Evidence Management Program

Technical Compliance implements a Risk-Based Evidence Management Program for identifying areas of risk and appropriate frequency for evaluation of, and compliance evidence updates for the NERC Reliability Standards applicable to NYPA. This process ensures that NYPA’s compliance program aligns with NERC’s risk-based Compliance Monitoring and Enforcement Program and the NPCC guided self-certification process. In 2018, Technical Compliance will review and update the evidence for thirty (30) NERC Reliability Standards that are applicable to NYPA’s NERC registrations. Technical Compliance is scheduled to review and update the evidence for nine (9) NERC Reliability Standards in 1st quarter 2018.

Guided Self-Certification of Compliance

NYPA did not receive any Guided Self-Certification of Compliance notifications during the reporting period. Technical Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self-certifies compliance with NPCC.

Bulk Electric System (BES) Definition

As stated in earlier reports, the Federal Energy Regulatory Commission ('FERC') approved the new BES definition and NYPA identified over 50 new BES elements that were subject to the NERC Reliability Standards in July 2016. The new definition applies essentially to any transmission assets operated at or above 100 kV.

The exclusion exception request ('EER') for the Moses-Alcoa ('MAL') 115kV transmission lines that has been reported in previous reports to the Governance Committee is still in process. In 2017, a NERC-led Review Panel issued its determination and concluded that the MAL lines are BES facilities and that Alcoa is required to register as the Transmission Owner ('TO') and that NPCC needs to assign the Transmission Operator ('TOP') for the lines. NPCC has established an alternative time period for completing the review of the subject EER. The time period has been set to conclude on April 30, 2018. Alcoa is considering the acceptance of NERC's TO and TOP implementation plan. NYPA's objective is not to be a Transmission Operator.

Critical Infrastructure Protection (CIP) Standards - Versions 5 and 6

During the reporting period, NYPA continued to effectively manage the implementation of CIP Versions 5 and 6 to include the Southeast New York ('SENY') region and the upstate Low Impact facilities and cyber system assets in the CIP Compliance Program. In parallel, Technical Compliance continues to engage the internal stakeholders to implement a work plan to establish a consistent and robust NERC CIP Compliance Program for NYPA's assets. The standardization of the program requires the implementation of certain controls that exceed, in some respects, the CIP requirements. This approach ensures program stability, enhances NYPA's security posture, and aligns with NYPA's enterprise-wide cyber security strategy.

On December 14, 2017, NPCC and FERC concluded NYPA's CIP on-site audit. With the hard work and support of many stakeholders, the outcome of this audit was positive and is a testament of NYPA's commitment to its robust NERC Compliance Program. In summary, the auditors concluded no potential non-compliances, two (2) areas of concern, four (4) recommendations and fourteen (14) positive observations. Technical Compliance will perform a gap analysis and develop an implementation plan to address the Regional control room area of concern which was determined by NPCC during the on-site CIP audit. The gap analysis will identify areas that need to be addressed, as well as identify recurring work and resource requirements. Technical Compliance will schedule to meet with NPCC to discuss the plan and timeline in the second quarter of 2018."

3. DISCUSSION AGENDA:

a. Procurement and Related Reports (January - December 2017)

The Vice President of Strategic Supply Management submitted the following report:

"SUMMARY

This report is to advise the Governance Committee of certain 2017 activities of the Procurement Division (rebranded Strategic Supply Management) for NYPA including: procurement contracts activity, Disposal of Personal Property, Supplier Diversity Program activities and plant inventory statistics; as well as fossil fuels activities conducted by the Fuel Planning and Operations Group and Corporate Finance activities conducted by the Treasury Group.

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President of Strategic Supply Management is required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and other staff to prepare additional reports and to produce documents for the Committee's review.

The reported activities are governed by various state laws and regulations and are set forth in the attached Reports.

DISCUSSION

As more fully described in the individual reports attached hereto as Exhibits '3a-A' through '3a-G,' the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater that were active in 2017, as identified by the Authority's SAP Enterprise Resource Planning ('ERP') system. The Disposal of Personal Property Report lists all personal property (including Fleet-related) disposal transactions over \$5,000 conducted during 2017. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority- and Women-owned Business Enterprises ('MWBES') as well as to Service-Disabled Veteran-Owned Businesses ('SDVOBs') based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Planning and Operations and Treasury work groups, respectively.

FISCAL INFORMATION

There will be no financial impact on the Authority.

RECOMMENDATION

The Governance Committee is requested to review and approve the Procurement, Fossil Fuels and Corporate Finance Reports (attached hereto as Exhibits '3a-A' through '3g-G')."

Mr. John Canale, Vice President of Strategic Supply Management, provided a summary of the procurement and related reports to the Committee. He said that in 2017, Strategic Supply Management managed nearly 2,900 contracts with a total value of \$8.6 billion. In addition, they added 394 Canals contracts with a value of \$219 million, and 1,524 contracts for NYPA. Eighty percent of the spend was with 70 vendors.

The key highlights in the spend for 2017 were mostly in the energy efficiency area and Project Management in support of operations for the LPGP LEM.

In terms of Personal Property Disposal, Strategic Supply Management had some minor scrap, and some fleet equipment sales totaling \$552,000.

Supplier Diversity staff expended \$64.7 million which represented about 18 percent of the spend. It did not reach the 30 percent goal; however, the staff is working with ESD to further develop a strategy on how that goal can be met.

Treasury staff managed 30.5 percent in M/WBE spend.

Staff had \$2.4 million in spend in the Service-Disabled Veterans area, which represented 32 percent of the estimated spend.

In the third quarter of 2017, Supplier Diversity reached the \$1 billion mark in M/WBE payments, a very impressive statistics for the Authority. These numbers also represent Canal Corporation's purchasing.

Of the resulting breakdown for 2017, 36 percent of the awards were in the construction area and 43 percent in the commitment and commodities areas. In addition, 98 percent of the awards in 2017 were on a competitive basis, with only 2 percent in the single- and sole-source areas.

4. **Next Meeting**

Acting Chair Nicandri said that the next meeting of the Governance Committee is to be held on Tuesday, July 31, 2018 at a time to be determined.

Closing

Upon motion made by Trustee Picente and seconded by Trustee Trainor, the meeting was adjourned by the Acting Chair of the Committee at approximately 8:10 a.m.

Karen Delince

Karen Delince
Corporate Secretary

NYPA GUIDELINES FOR PROCUREMENT CONTRACTS

1. PURPOSE

These Guidelines for Procurement Contracts (“Guidelines”) set forth the policy of the Authority regarding the solicitation and awarding of procurement contracts. The provisions of Article 4-C of the Economic Development Law, §§ 2879 and 2879-a of the Public Authorities Law, Articles 15-A and 17-B of the Executive Law and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these Guidelines.

2. DEFINITIONS

- A. “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) and capital projects (as defined in Section 2.O. and 2. P., respectively), including but not limited to goods such as office supplies, major electrical equipment, construction and maintenance work and services as more fully described in Section 2.C. below.
- B. “Non-Procurement Contracts” include contracts under \$5,000 and contracts for energy with or without environmental attributes included, capacity, ancillary services, transmission, distribution or related services in support of providing service to Authority customers; contracts for differences; financial hedge contracts (including but not limited to swaps, calls, puts or swap options) and credit rating services. In addition, Non-Procurement Contracts include direct placement of advertisements with radio, television, print and electronic media, periodicals, subscriptions, reference materials or professional research tools, written materials, fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, funding agreements, co-funding agreements, grants or memberships in various industry groups, professional societies or similar cooperative associations, or any cooperative projects and procurement activities conducted or sponsored by such organizations in which the Authority participates.
- C. “Services Contracts” are Procurement Contracts for services of a consulting, professional or technical nature provided by outside consultants/contractors (individuals, partnerships or firms who are not and do not employ officers or employees of the Authority) for a fee or other compensation. Services Contracts comprise three specific types: Personal Services, Non-Personal Services and Construction. Personal Services include, but are not limited to: accounting,

architectural, engineering, financial advisory, legal, public relations, planning, management consulting, surveying, training (when specifically developed by consultant for the Authority) and construction management. Non-Personal Services include, but are not limited to: skilled or unskilled temporary personnel, including clerical office staff, technicians or engineers working under Authority supervision; maintenance, repairs, and printing services. Construction consists of craft labor and other services utilizing laborers and/or mechanics not otherwise considered Non-Personal Services.

Note: Use of such services may be appropriate (1) when a consultant/contractor possesses special experience, background or expertise; (2) when there is insufficient Authority staff and retention of a consultant/contractor is more appropriate or economical than hiring additional permanent staff; (3) to provide independent external review or a second opinion; (4) to meet unusual schedule requirements or emergencies or (5) for a combination of these factors.

- D. “Goods” include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as Equipment,” where 60% or more of the total projected contract value will be for the purchase of equipment, material or supplies.
- E. “Evaluation of Proposals,” as further set forth in Section 4 below, includes as evaluating factors the Authority’s consideration of a bidder’s skill, judgment and business integrity.
- F. “Contact” is any oral, written or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the Authority’s conduct or decision regarding the procurement.
- G. “Relative” is any person living in the same household as the Authority employee and any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Subsection 9.E.1 of these Guidelines.
- H. “Minority- and Women-owned Business Enterprise” (“MWBE”) is defined as any New York State-certified business enterprise at least 51% of which is owned by black persons, Hispanics, Native Americans, Asians, Pacific Islanders and/or women, and as further described in the Authority’s Supplier Diversity Program Policy and Procedures and Executive Law Article 15-A, and pursuant to the definition found in Executive Law § 310.
- I. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1)

in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.

- J. “Single Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one offeror over another that can supply the goods or services.
- K. “Sole Source” is a procurement in which only one offeror is capable of supplying the required goods or services.
- L. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.
- M. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$200,000 for the purchase of commodities and/or services from Small Businesses or NYS-certified MWBE or SDVOB firms, and as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$200,000, pursuant to State Finance Law § 163.
- N. “Disadvantaged Business Enterprise” (DBE) is a for-profit small business concern (1) that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it, pursuant to the definition found in 49 C.F.R Part 26.
- O. “Operation and Maintenance” (“O&M”) generally refers to the work or services necessary to keep the plants, transmission lines, and other equipment and facilities to include NYPA customers, where authorized, (collectively referred to generally as an “asset”) in optimal operating condition and/or to restore an asset to its

productive capacity. This includes the cost of inspecting, testing, analyzing and reporting on the condition of the asset required to determine repairs or replacement, as well as costs associated with the normal operation and administration of NYPA's production/transmission facilities and energy programs.

- P. "Capital projects" generally refers to the acquisition or construction of new assets, the replacement and/or betterment of existing assets, equipment or property (including those of NYPA's customers, where authorized). Betterment refers to an extension of the useful life or improvement in the efficiency and/or capacity of the asset, equipment or property.

3. **SOLICITATION REQUIREMENTS**

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Procurement Department (rebranded Strategic Supply Management, hereinafter "SSM"), or the facilities' SSM Departments, and the initiating department. Except as otherwise authorized by these Guidelines, a Request for Proposals ("RFP") or Request for Quotations ("RFQ") will be made available to a minimum of three providers and/or firms (if available) for purchases valued under \$50,000 and a minimum of five providers and/or firms (if available) for purchases valued at \$50,000 and greater, commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance. Whenever possible and practicable, notification of the availability of an RFP and RFQ on the Authority's Procurement website should be sent to more than five providers.
- B. Prospective bidders on Procurement Contracts may be prequalified by invitation advertised in the same manner as an RFP/RFQ (referred to as a Request for Qualifications and/or Request for Information ("RFI")). In such cases, proposals are requested only from those providers and/or firms whose prequalification submittals demonstrate sufficient ability and competence (including, but not limited to, the bidder's skill, judgment and business integrity) to supply the particular goods and/or perform the particular services required.
- C. The Authority may withdraw any pending solicitation (including but not limited to RFPs and RFQs) at any time, for cause or no cause. Any person or entity submitting any responsive document to the Authority does so at its own cost or expense and will not be reimbursed by the Authority for the preparation of any responsive document, unless otherwise agreed to in writing and signed by an authorized Authority representative.
- D. In order to promote the use of Minority- and Women-owned Business Enterprises ("MWBEs"), Service-Disabled Veteran-Owned Businesses ("SDVOBs") and Small Business Enterprises ("SBEs"), the Authority will solicit offers from such firms known to have experience in the type of goods and/or services to be provided, regardless of the type of contract. For the purpose of these Guidelines, the

definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.H, 2.L and 2.I, respectively.

To foster increased use of MWBEs, SDVOBs and SBEs, a single proposal may be sought, negotiated and accepted for discretionary purchases of goods and/or services not exceeding \$200,000, in the aggregate including all amendments, from a NYS-certified MWBE or SDVOB firm or an SBE that offers a reasonable price for such goods and/or services. The award of such proposal requires the written approval of the Vice President of Procurement. Any subsequent alteration to the accepted proposal, including, but not limited to, change orders, amendments, or supplemental terms shall also necessitate the written approval of the Vice President of Procurement. Furthermore, the award of such procurement contracts will be noticed on the *Contract Reporter* website, as further set forth in Section 3.H.

E. It is the policy of New York State to promote the participation of and maximize the opportunities for New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:

1. “New York State Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
2. “New York State resident” is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.
4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New

York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.

5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
 6. Pursuant to Public Authorities Law § 2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.
- F. Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains SSM Department, or facility SSM Departments, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.

Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a “mini-bid” (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts. Certain other Procurement Contracts issued by the Authority (e.g., for on-call consulting or contracting services) may also utilize a mini-bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Authority’s bid requirements, in order to satisfy multiple factors and needs as set forth in the bid document. Such mini-bids shall be conducted by the Authority’s SSM staff (or on behalf of the Authority by an Implementation Contractor) where applicable and practicable. Within a said multiple award group, work may be assigned to a specific firm without conducting a mini-bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Authority’s needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini-bid shall typically be made jointly by the SSM and initiating departments, and shall be documented for the procurement record.

- G. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; milestone dates; the Authority's Supplier Diversity Program and SDVOB requirements, if applicable; all other applicable Authority requirements and any special methods or limitations that the Authority chooses to govern the work. Telephone solicitation, usually for procurements valued at less than \$50,000, may be used where time constraints do not permit issuance of an RFP, where issuance of an RFP is otherwise impracticable or for goods that are catalog items or do not require a detailed bill of materials or specification. All solicitations made by telephone shall be documented and made part of the Procurement Record.
- H. For all Procurement Contracts with a value equal to or greater than \$50,000 (except for those contracts noted below), the Authority will, prior to soliciting proposals, submit the following information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, (www.nyscr.ny.gov) (unless such posting would serve no useful purpose): (1) the Authority's name and address; (2) the solicitation number; (3) a brief description of the goods and/or services sought, the location where goods are to be delivered and/or services provided and the contract term; (4) the address where bids or proposals are to be submitted; (5) the due date for bids or proposals; (6) a description of any eligibility or qualification requirements or preferences; (7) a statement as to whether the contract requirements may be fulfilled by a subcontracting, joint venture or coproduction arrangement; (8) any other information deemed useful to potential contractors; (9) the name, address, and phone number of the person to be contacted for additional information and (10) a statement as to whether the goods and/or services sought have, in the immediately preceding three-year period, been supplied by a Foreign Business Enterprise. Such information will be submitted to the DED Commissioner in accordance with the schedule set forth by the DED. The due date for bids or proposals will be a minimum of 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposal process, the Authority will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

This section 3.H does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.M, (ii) Procurement Contracts being rebid or re-solicited for substantially the same goods and/or services, within 45 business days after the original due date, and/or (iii) Procurement Contracts awarded to not-for-profit human services providers. (See Article 4-C, Economic Development Law)

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that

do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the SSM Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

Notwithstanding the foregoing, submittal of a notice / announcement of award for inclusion on the *Contract Reporter* website is required for Procurement Contracts with a value of \$50,000 or more awarded on a sole source or single source basis, including such discretionary contracts not exceeding \$200,000 awarded to Small Businesses or NYS-certified SDVOB or MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for procurement contract bidding opportunities, in accordance with the afore-referenced law. Such notice shall specify the name of the awardee.

- I. In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, the Service-Disabled Veteran-Owned Business ("SDVOB") Act was signed into law on May 12, 2014. The SDVOB program provides for eligible Veteran business owners to become certified as a New York State Service-Disabled Veteran-Owned Business. The Division of Service-Disabled Veterans' Business Development within the New York State Office of General Services ("OGS") is responsible for certifying eligible SDVOBs, assisting agencies and authorities in complying with the law, and promoting SDVOB participation in the state's procurement activities. Under this program, contracts may be awarded on a non-competitive basis to NYS-certified SDVOBs for discretionary purchases not exceeding \$200,000 in the aggregate. Alternately, contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of value, and advertised as such on the *Contract Reporter* website.
- J. Proposals for certain Services Contracts may also be solicited by competitive search, as follows:

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as an Authority representative, a "competitive search" will be conducted to determine which consultants are most qualified, for reasonable compensation terms, to perform the work. Depending on market conditions, at least five potential sources should be evaluated; if there are fewer than five sources, all sources should be evaluated. The White Plains SSM Department or the appropriate facility SSM Department will work with the initiating

department to gather information from potential sources, that will include a description of the consultant/firm's qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
 2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
 3. A sole supplier's item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
 4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
 5. The contract is awarded to a Small Business or to a NYS-certified SDVOB or MWBE firm for discretionary purchases not exceeding \$200,000, pursuant to Section 3.D and as further set forth in Section 2.M.
 6. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 7. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled "Comptroller Approval of Contracts Made by State Authorities" ("Comptroller Regulations") and the State Authority Contract Manual.
- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
- M. Subject to the Authority's Expenditure Authorization Procedures ("EAPs"), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without

following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:

1. A threat to the health or safety of the public or Authority employees or workers.
 2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the reasons therefor to the White Plains SSM Department or the appropriate facility SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the SSM Department.
- P. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.
- Q. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:
1. A “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of

other interest in real property that is the subject of a governmental procurement, with an estimated annualized expenditure in excess of \$15,000. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.

2. The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State *Contract Reporter*) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerors (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.
 3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.
- R. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority’s Corporate Policy regarding this matter.
- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal “Restricted Period.” Covered individuals at the Authority means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Authority means both “external” (e.g., a lobbyist) and

“internal” (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority’s Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder’s skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.

In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains SSM Department and/or the appropriate facility SSM Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s) or designee, to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.

- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority’s work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder’s skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others

will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

Another Supplier Diversity Program factor to be considered in evaluating proposals may involve an assessment of the bidder's diversity practices, where applicable. Pursuant to Article 15-A of the Executive Law, diversity practices are the contractor's practices and policies with respect to utilizing NYS-certified MWBEs in contracts as subcontractors and suppliers, and entering into partnerships, joint ventures or other similar arrangements with NYS-certified MWBEs. A contractor's diversity practices may be assessed when: (1) a procurement is awarded on the basis of "Best Value" as described in Section 4.D. (but *not* when a procurement is awarded based upon "lowest price"); (2) the anticipated award is \$250,000 or greater; and (3) such assessment is practicable, feasible and appropriate. Such assessment shall not permit the automatic rejection of a bid or procurement contract proposal based on lack of adherence to diversity practices.

- C. For Services Contracts (as defined in Section 2.C of these Guidelines), the technical merits of the proposals and the experience and capabilities of the bidders will be the primary factors in determining the individual or firm to be awarded the contract, provided that the price for performing such work is reasonable and competitive.
- D. For Procurement Contracts other than Personal Services (as defined in Section 2.C of these Guidelines), the award should generally be made to the lowest-priced firm submitting a proposal that meets the commercial and technical requirements of the bid documents. (See also Section 4.F regarding award to "other than low bidder".)

As a best practice and pursuant to State Finance Law § 163, the Authority will be transitioning to a "Best Value" basis for awarding contracts for services to the offeror that optimizes quality, cost and efficiency, among responsive and responsible offerors. Such basis shall reflect, wherever possible, objective and quantifiable analysis and may also identify a quantitative factor for offerors that are Small Businesses or NYS-certified SDVOB or MWBE firms.

- E. Pursuant to § 139-k of the State Finance Law, the Authority shall not award a Procurement Contract (as defined in Subsection 3.Q.1 of these Guidelines) to a bidder/contractor who fails to provide timely, accurate and complete responses to inquiries about past determinations of non-responsibility (unless awarding the contract is necessary to protect public property or public health or safety and the bidder/contractor is the only source capable of supplying the required article of procurement within the necessary timeframe.)

A bidder's/contractor's knowing and willful violation of the Authority's policy providing for certain procurement disclosures shall result in a determination of non-responsibility of such bidder/contractor pursuant to State Finance Law §§ 139-j and 139-k only.

More than one determination of non-responsibility due to violations of State Finance Law § 139-k in a four-year period shall render a bidder/contractor ineligible to submit bids for four years from the second determination of non-responsibility.

- F. An award to “other than low bidder” can be made only with the approval of appropriate management as stipulated in the EAPs, and should be based on such a proposal providing a clear advantage to the Authority over the lower-priced proposal. Factors justifying an “other than low bidder” award may include, but are not limited to: improved delivery schedules that will reduce outages; longer warranty periods; improved efficiency over the usable life of the equipment; reduced maintenance costs; the bidders’ financial resources or the ability to meet or exceed Supplier Diversity Program and SDVOB goals; and overall, the bidder’s skill, judgment and business integrity.
- G. The specifications set forth in any solicitation prepared under these Guidelines were based upon information available at the time of the preparation of the solicitation. Thus, the Authority may diverge from the specifications of any solicitation if, after review of the proposals responsive to such solicitation, the Authority deems it prudent in light of its experience, the circumstances of the solicitation and/or potential cost savings.

5. RECOMMENDATION OF AWARD

- A. A recommendation for approval of a proposed award of a Procurement Contract is usually prepared in the form of a memorandum or e-mail by the department requiring the goods and/or services. The recommendation must include an evaluation of proposals as specified in Article 4 above, as well as proposed specific compensation terms that provide a clear breakdown of cost factors and methods of calculation, including, as applicable:
 - 1. Lump sum and/or unit prices for equipment and construction work.
 - 2. Hourly or daily rates for personnel.
 - 3. Markups for payroll taxes, fringe benefits, overhead and fees, if the proposal is based on reimbursement of actual payroll costs.
 - 4. Terms for reimbursement of direct out-of-pocket expenses, such as travel and living costs, telephone charges, services of others and computer services.
 - 5. Provisions, if any, for bonus/penalty arrangements based on target person-hours and/or target schedule.

- B. The recommendation will also review any substantive exceptions to commercial and technical requirements of a price inquiry, RFP, RFQ or bidding documents, including but not limited to payment terms, warranties and bond requirements, if any, as well as Supplier Diversity Program requirements, as applicable.

6. AWARD OF CONTRACT

- A. Services Contracts valued or estimated to be \$5,000 or greater to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12 months are approved by authorized designees in accordance with existing EAPs. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services, that has previously been approved by the Trustees, for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts valued or estimated to be \$5,000 or greater to be performed for a period of more than 12 months that must be awarded prior to the next quarterly Trustees' meeting, the initial contract will be issued for the entire intended term of the contract. Based on its total term and value, such contract must be approved in writing by the appropriate management as set forth in the EAPs. Such contract is subject to the Trustees' approval, at the next quarterly Trustees' meeting. If such approval is not granted, the contract will be terminated immediately.
- C. A contract or contract task valued or estimated to be \$5,000 or greater is deemed to be for services in excess of 12 months where the contract does not specify a definite term and the work will not be completed within 12 months, and any "continuing services" contract with no fixed term that provides for the periodic assignment of specific tasks or particular requests for services. This includes Trustee-approved contracts for architect/ engineering services with the original engineers of operating facilities, as well as the original supplier of steam supply systems or boilers and turbine generating equipment. Each task authorized under such contracts (which may be referred to as a "Change Order," "Purchase Order" or "Task Number") is considered a separate commitment and must be separately approved in accordance with the EAPs.
- D. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions.

- E. When time constraints or emergency conditions require extending an existing contract with an initial duration of less than a year beyond a year, and the cumulative monetary change order value does not exceed the appropriate limit set forth in the EAPs, the Business Unit Head, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize extending such contract, subject to the Trustees ratifying such action as soon as practicable.
- F. When the total estimated contract value or the value of the extension exceeds the monetary limits set forth in the EAPs, interim approval by the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee is required, subject to the Trustees ratifying such action as soon as practicable.
- G. When time constraints or emergency conditions require immediate commencement of services to be performed for a period of more than one year, and when the contract value exceeds the monetary approval limit for the President and Chief Executive Officer or Chief Operating Officer or equivalent(s), as set forth in the EAPs, the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize in writing the commencement of such services. The initial compensation limitation may not exceed the authorization level for the President and Chief Executive Officer or equivalent(s) or Chief Operating Officer or equivalent(s) as set forth in the EAPs. Such contracts will be subject to the Trustees' approval, which will be solicited at their next scheduled Trustee meeting.
- H. The White Plains SSM Department or the facilities' SSM Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at the Foreign Business Enterprise or acting on behalf of same who is principally responsible for the proposed Procurement Contract.

7. **CONTRACT PROVISIONS**

- A. The following standard forms of contracts are available from the White Plains SSM Department: purchase order format (for standard procurements of goods and/or services); furnish-and-deliver format (for major equipment purchases); long form agreements (for consulting services) and maintenance agreement formats; contract work orders (for construction work of small magnitude); construction contracts (for major construction work) and furnish, deliver and install contracts (for specialized, major procurements where single responsibility is required for procurement and installation). These contract forms are intended to govern the purchase of goods and/or performance of services.

Authority departments proposing to initiate a Procurement Contract should review these forms to suggest any modifications and additions that may be required for the particular goods and/or services. Under no circumstances should contract forms be shown to proposed bidders without the prior approval of the SSM Department, which, along with the facilities' SSM Departments, is solely responsible for requesting proposals.

- B. The following types of provisions setting forth contractor responsibilities are to be contained in the standard forms of Procurement Contracts, except that any provisions listed below that are inapplicable or unnecessary because of the nature or duration of the work to be performed, the location(s) where the work is to be performed or the type of compensation being paid therefor, need not be included. Other provisions may be added as necessary and appropriate.

1. Schedule of Services or Specifications
2. Time of Completion
3. Compensation or Itemized Proposals
4. Relationship of Parties
5. Delays
6. Termination
7. Changes in the Work
8. Claims and Disputes
9. Warranty
10. Insurance
11. Records, Accounts, Inspection and Audit
12. Assignment
13. Notices
14. Indemnification
15. Governing Law
16. Proprietary Nature of Work
17. Testimony
18. MWBE requirements
19. SDVOB requirements

20. Entire Agreement

Contract Attachments

1. Compensation Schedule
2. Schedule of Services or Specifications
3. Appendix “A” (Miscellaneous Statutory Provisions)
4. Appendix “B” (Prompt Payment Provisions)
5. Appendix “C” (Minority- and Women-owned Business Enterprise (MWBE) Participation Goal Requirement)
6. Appendix “D” (Background Security Screening for Authority Contractors)
7. Appendix “E” (Omnibus Procurement Act of 1992 Requirements)
8. Appendix “F” (Computer Aided Design Requirements For New York Power Authority Drawings)
9. Appendix “G” (Equal Employment Opportunities Requirements)
10. Appendix “H” (Tax Law Requirements)
11. Appendix “I” (New York Power Authority (NYPA) North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) Cyber Access And/Or Unescorted Physical Access Training Requirements)
12. Appendix “J” (Bidder/Contractor Compliance with State Finance Law §§ 139-j and 139-k Providing for Certain Procurement Disclosures)
13. Appendix “K” (Additional State and Federal Provisions Required for American Recovery and Reinvestment Act (Pub. L. No. 111-5 Stat. 2009) (“ARRA”) Funded Projects) - inactive
14. Appendix “L” (DOE Federal Contract Provisions) - inactive
15. Appendix “M” (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology (“BART”) for Heavy Duty Vehicles)
16. Appendix “N” (The New York State Iran Divestment Act of 2012 – Iranian Energy Sector Divestment)
17. Appendix “O” (Encouraging Use of New York State Businesses in Contract Performance) – inactive
18. Appendix “P” (Information Security Requirements for Vendors and External Partners)

- C. If a vendor (firm, person or other entity) participates in the development or writing of the specifications for a procurement solicitation, such vendor shall not be permitted to bid on such procurement, either as a prime vendor or as a subcontractor at any level. Contracts for evaluation of offers for products or services shall not be awarded to a vendor that would then evaluate its own offers for products or services.

Furthermore, any firm, person or other entity retained by the Authority to provide conceptual studies, designs or specifications is prohibited from being awarded future phases of work, including implementation, related to the original work.

The above restrictions shall not apply where:

1. The vendor is the sole source or single source of the product or service;
2. More than one vendor has been involved in preparing the specifications for a procurement proposal;
3. There is no qualified response to the solicitation for future phases of work, including implementation; or
4. The originating Authority Business Unit determines in writing that the restrictions are not in the best interests of the Authority. Such originating Business Unit shall obtain the approval of the applicable Business Unit Head or equivalent(s), Vice President of Procurement or equivalent(s) or designee, Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) to waive this restriction on a case-by-case basis.

8. **CHANGE ORDERS**

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.M herein, that require the immediate performance of work by a firm already under contract;
 4. When rebidding would not be practical or in the best interests of the Authority's customers; and
 5. To meet the Authority's Supplier Diversity and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- B. All Change Orders must be approved in accordance with the Authority's EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the modification was neither contemplated nor provided for in the solicitation for such competitive procurement.

9. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES

- A. Former Authority officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Joint Commission on Public Ethics that such engagement is permissible; and upon approval of the President and Chief Executive Officer, as well as the Chairman of the Board of Trustees.
- B. Pursuant to the provisions of New York Public Officers Law § 73(8):
 - 1. No Authority officer or employee is eligible, within a period of two years after the termination of Authority service to appear or practice before the Authority or receive compensation for any services rendered on behalf of any person, firm, corporation or association, in relation to any case, proceeding or application or other matter before the Authority.
 - 2. No Authority officer or employee is eligible, at any time after the termination of Authority service, to appear, practice, communicate or otherwise render services before the Authority or any other state agency or receive compensation for any such services rendered on behalf of any person, firm, corporation or other entity in relation to any case, proceeding, application or transaction that such person was directly concerned with and personally participated in during his or her period of service, or which was under his or her active consideration.
 - 3. Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Authority officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Authority, if, prior to engaging in such service, the Chairman of the Board of Trustees certifies in writing to the New York State Joint Commission on Public Ethics that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Authority's needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the reasons for such certification. The New York State Joint Commission on Public Ethics must review and approve all such certifications.
- C. No Authority employee who is involved in the award of Authority grants or contracts may ask any officer, director or employee of such current or prospective

contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official or candidate for elective office or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

- D. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 9.C above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- E. No Authority employee may take part in any contracting process or decision: (i) to a Relative; or (ii) to any entity in which the Authority employee or a Relative of such Authority employee owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section 9.E, then the employee must advise in writing his or her supervisor and the Office of Ethics and Compliance of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
 - 1. For purposes of this Section 9.E, the term "Relative" is defined in Definitions, Section 2.G of these Guidelines.

10. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS

The Authority strives to continue to foster the development of business opportunities on Authority contracts for MWBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. The definition of an MWBE is included in Section 2.H of these Guidelines. The Authority aims to solicit proposals from NYS-certified MWBEs that are qualified to perform the required work. In addition, specific goals may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Bidders' proposals will include a completed preliminary Utilization Plan Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required. Such bidders' failure to meet these requirements may be grounds for rejection of the proposal, or cancellation of the contract if a contractor did not make a good faith effort to meet its goals after contract award. Final MWBE Utilization Plans for Construction contracts valued at more than \$100,000 shall be provided and posted on the Procurement website by the successful vendor within ten business days of contract signing.

Pursuant to § 2879 of the Public Authorities Law and as further set forth in the Authority's Supplier Diversity Program documents, the following guidelines apply:

1. Identify those areas or types of contracts for which MWBEs may best bid so as to promote and assist participation by such enterprises and facilitate a fair share of the awarding of contracts to such enterprises.
2. Provide notice, in addition to any other notice of procurement opportunities required by law, to professional and other organizations that serve MWBEs providing the types of services procured by the Authority.
3. Maintain lists of qualified NYS-certified MWBEs, including professional firms that have expressed an interest in doing business with the Authority and ensuring that such lists are updated regularly. The Authority shall also consult the lists of NYS-certified MWBEs maintained by the DED pursuant to Executive Law Article 15-A.
4. Establish appropriate goals for participation by MWBEs in procurement contracts awarded by the Authority and for the utilization of MWBEs as subcontractors and suppliers by entities having procurement contracts with the Authority. Statewide numerical participation target goals shall be established by the Authority based on the criteria set forth in Public Authorities Law § 2879.
5. Conduct procurements in a manner that will enable the Authority to achieve the maximum feasible portion of the goals established pursuant to Subdivision 4 of this Section and that eliminates barriers to participation by MWBEs in the Authority's procurements.
6. Designate one or more senior staff of the Authority to oversee the Authority's programs established to promote and assist participation by and utilization of NYS-certified MWBEs.

11. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

The Authority also strives to foster the development of business opportunities for NYS-certified SDVOBs and to further increase participation by SDVOBs in Authority contracts, as set forth in Sections 2.L and 3.I of these Guidelines and pursuant to Article 17-B of the Executive Law. One tool is the use of SDVOB discretionary purchasing, as further described in Sections 3.D, I and K of these Guidelines. Another tool authorized by the law is the use of set-asides, which permit the reservation in whole or in part of certain procurements by state agencies and authorities when more than one NYS-certified SDVOB is available and can provide the necessary goods or services to meet the Authority's form, function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

Pursuant to Article 17-B of the Executive Law, the following guidelines apply:

1. Identify contracts where SDVOBs may best perform and/or where SDVOB goals are practical, feasible and appropriate for the purpose of increasing the utilization of SDVOB participation on Authority contracts.
2. Submit regular reports with respect to SDVOB Program activity, including but not limited to, utilization reporting and contract monitoring and compliance.
3. Achieve an overall goal of six percent for SDVOB participation on Authority contracts.

12. DISADVANTAGED BUSINESS ENTERPRISE (“DBE”) PROGRAM REQUIREMENTS ON PROJECTS THAT ARE FEDERALLY FUNDED

The Authority strives to foster the development of business opportunities for NYS certified DBEs and to further increase their participation in NYPA Federally funded contracts. The Authority aims to solicit proposals from DBEs for procurements that will be partially or fully federally funded. The Authority follows the DBE guidelines as set out by The Federal Department of Transportation (“DOT”). NYS DOT is tasked with certifying eligible small businesses as DBEs in New York State.

The Authority is committed to promoting participation of DBEs in NYPA contracting opportunities in accordance with federal law and regulations and seeks to achieve the following objectives:

1. To ensure nondiscrimination in the award and administration of Federally funded contracts;
2. To create a level playing field on which DBEs can compete fairly for Federally funded contracts;
3. To ensure that the Authority’s DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet this Federal eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in Federally funded contracts;
6. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities.
7. To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
8. To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

13. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

The White Plains SSM Department maintains records of Procurement Contracts. In addition to bid- and contract award-related documents for the goods provided and/or services performed, the Procurement Record includes, but is not limited to, documentation of the decisions made and the approach taken in the procurement process. Such records are transmitted to the Digital Warehouse for electronic storage and retrieval. At the facilities, such records are currently maintained and stored by the facilities' SSM Departments.

B. Procurement Report

After the end of each calendar year, the Vice President of Procurement or equivalent(s) will prepare and submit an annual report to the Trustees for their approval that will include:

1. A copy of the Guidelines;
2. An explanation of the Guidelines and any amendments thereto since the last annual report;
3. A list of all Procurement Contracts entered into since the last annual report, including all contracts entered into with New York State Business Enterprises and the subject matter and value thereof and all contracts entered into with Foreign Business Enterprises and the subject matter and value thereof;
4. A list of fees, commissions or other charges paid;
5. A description of work performed, the contract number, the date of the contract and its duration, the name, address and NYS-certified MWBE designation of the awardees, the total amount of the contract, the amount spent on the contract during the reporting period and for the term of the contract to date and the status of open Procurement Contracts during the report year;
6. The type of contract (equipment, services, personal services or construction);
7. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source or competitive search);
8. The reasons why any procurements with a value equal to or greater than \$50,000 were not noticed in the Contract Reporter;
9. The number of bids received and
10. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.

- C. Such annual report, as approved by the Trustees, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, and copies thereof shall be distributed to the New York State Department of Audit

and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual procurement report is posted on the Authority's website and copies shall be made available to the public upon reasonable written request therefor.

D. State Finance Law §§ 139-j and 139-k

1. A statement describing the basis for a determination of a bidder's/contractor's non-responsibility (per State Finance Law §§ 139-j and 139-k only) and the Authority's decision not to award a bidder/contractor the Procurement Contract must be included in the procurement record.
2. The Authority shall notify the New York State Office of General Services of bidders/contractors who have been determined to be non-responsible bidders (per State Finance Law §§ 139-j and 139-k only) or debarred due to violations of § 139-j of the State Finance Law.
3. All forms entitled "Record of Contact" shall be included in the respective procurement record.
4. A statement describing the basis for a termination of a Procurement Contract for providing an intentionally false certification must be included in the procurement record.

E. The Authority may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the PAAA or other statutes regulating the procurement of goods and services, such as the Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

F. The Vice President of Procurement or equivalent(s) will also prepare Annual Goal Plans for the MWBE and SDVOB programs and will submit them by January 15 of each year to Empire State Development - Division of Minority and Women Business Development and the New York State Office of General Services - Division of Service-Disabled Veterans' Business Development, respectively. Quarterly Utilization / Activity Reports for each program will also be prepared and submitted to the aforementioned respective state entities by the 15th day of July, October, January and April.

14. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS

- A. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended, nor should it be construed, to

confer on any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.

- B. Nothing contained in these Guidelines alters or affects the validity of, modifies the terms of or impairs any contract or agreement entered into in violation of these Guidelines.

NYPA GUIDELINES FOR PROCUREMENT CONTRACTS

1. PURPOSE

These Guidelines for Procurement Contracts (“Guidelines”) set forth the policy of the Authority regarding the solicitation and awarding of procurement contracts. The provisions of Article 4-C of the Economic Development Law, §§ 2879 and 2879-a of the Public Authorities Law, Articles 15-A and 17-B of the Executive Law and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these Guidelines.

2. DEFINITIONS

- A. “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) and capital projects (as defined in Section 2.O. and 2. P., respectively), including but not limited to goods such as office supplies, major electrical equipment, construction and maintenance work and services as more fully described in Section 2.C. below.
- B. “Non-Procurement Contracts” include contracts under \$5,000 and contracts for energy with or without environmental attributes included, capacity, ancillary services, transmission, distribution or related services in support of providing service to Authority customers; contracts for differences; financial hedge contracts (including but not limited to swaps, calls, puts or swap options) and credit rating services. In addition, Non-Procurement Contracts include direct placement of advertisements with radio, television, print and electronic media, periodicals, subscriptions, reference materials or professional research tools, written materials, fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, funding agreements, co-funding agreements, grants or memberships in various industry groups, professional societies or similar cooperative associations, or any cooperative projects and procurement activities conducted or sponsored by such organizations in which the Authority participates.
- C. “Services Contracts” are Procurement Contracts for services of a consulting, professional or technical nature provided by outside consultants/contractors (individuals, partnerships or firms who are not and do not employ officers or employees of the Authority) for a fee or other compensation. Services Contracts comprise three specific types: Personal Services, Non-Personal Services and Construction. Personal Services include, but are not limited to: accounting,

architectural, engineering, financial advisory, legal, public relations, planning, management consulting, surveying, training (when specifically developed by consultant for the Authority) and construction management. Non-Personal Services include, but are not limited to: skilled or unskilled temporary personnel, including clerical office staff, technicians or engineers working under Authority supervision; maintenance, repairs, and printing services. Construction consists of craft labor and other services utilizing laborers and/or mechanics not otherwise considered Non-Personal Services.

Note: Use of such services may be appropriate (1) when a consultant/contractor possesses special experience, background or expertise; (2) when there is insufficient Authority staff and retention of a consultant/contractor is more appropriate or economical than hiring additional permanent staff; (3) to provide independent external review or a second opinion; (4) to meet unusual schedule requirements or emergencies or (5) for a combination of these factors.

- D. “Goods” include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as Equipment,” where 60% or more of the total projected contract value will be for the purchase of equipment, material or supplies.
- E. “Evaluation of Proposals,” as further set forth in Section 4 below, includes as evaluating factors the Authority’s consideration of a bidder’s skill, judgment and business integrity.
- F. “Contact” is any oral, written or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the Authority’s conduct or decision regarding the procurement.
- G. “Relative” is any person living in the same household as the Authority employee and any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Subsection 9.E.1 of these Guidelines.
- H. “Minority- and Women-owned Business Enterprise” (“MWBE”) is defined as any New York State-certified business enterprise at least 51% of which is owned by black persons, Hispanics, Native Americans, Asians, Pacific Islanders and/or women, and as further described in the Authority’s Supplier Diversity Program Policy and Procedures and Executive Law Article 15-A, and pursuant to the definition found in Executive Law § 310.
- I. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1)

in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.

- J. “Single Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one offeror over another that can supply the goods or services.
- K. “Sole Source” is a procurement in which only one offeror is capable of supplying the required goods or services.
- L. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.
- M. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$200,000 for the purchase of commodities and/or services from Small Businesses or NYS-certified MWBE or SDVOB firms, and as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$200,000, pursuant to State Finance Law § 163.
- N. “Disadvantaged Business Enterprise” (DBE) is a for-profit small business concern (1) that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it, pursuant to the definition found in 49 C.F.R Part 26.
- O. “Operation and Maintenance” (“O&M”) generally refers to the work or services necessary to keep the plants, transmission lines, and other equipment and facilities to include NYPA customers, where authorized, (collectively referred to generally as an “asset”) in optimal operating condition and/or to restore an asset to its

productive capacity. This includes the cost of inspecting, testing, analyzing and reporting on the condition of the asset required to determine repairs or replacement, as well as costs associated with the normal operation and administration of NYPA's production/transmission facilities and energy programs.

- P. "Capital projects" generally refers to the acquisition or construction of new assets, the replacement and/or betterment of existing assets, equipment or property (including those of NYPA's customers, where authorized). Betterment refers to an extension of the useful life or improvement in the efficiency and/or capacity of the asset, equipment or property.

3. **SOLICITATION REQUIREMENTS**

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Procurement Department (rebranded Strategic Supply Management, hereinafter "SSM"), or the facilities' SSM Departments, and the initiating department. Except as otherwise authorized by these Guidelines, a Request for Proposals ("RFP") or Request for Quotations ("RFQ") will be made available to a minimum of three providers and/or firms (if available) for purchases valued under \$50,000 and a minimum of five providers and/or firms (if available) for purchases valued at \$50,000 and greater, commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance. Whenever possible and practicable, notification of the availability of an RFP and RFQ on the Authority's Procurement website should be sent to more than five providers.
- B. Prospective bidders on Procurement Contracts may be prequalified by invitation **advertised in the same manner as an RFP/RFQ (referred to as a Request for Qualifications and/or Request for Information ("RFI"))**. In such cases, proposals are requested only from those providers and/or firms whose prequalification submittals demonstrate sufficient ability and competence (including, but not limited to, the bidder's skill, judgment and business integrity) to supply the particular goods and/or perform the particular services required.
- C. The Authority may withdraw any pending solicitation (including but not limited to RFPs and RFQs) at any time, for cause or no cause. Any person or entity submitting any responsive document to the Authority does so at its own cost or expense and will not be reimbursed by the Authority for the preparation of any responsive document, unless otherwise agreed to in writing and signed by an authorized Authority representative.
- D. In order to promote the use of Minority- and Women-owned Business Enterprises ("MWBEs"), Service-Disabled Veteran-Owned Businesses ("SDVOBs") and Small Business Enterprises ("SBEs"), the Authority will solicit offers from such firms known to have experience in the type of goods and/or services to be provided, regardless of the type of contract. For the purpose of these Guidelines, the

definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.H, 2.L and 2.I, respectively.

To foster increased use of MWBEs, SDVOBs and SBEs, a single proposal may be sought, negotiated and accepted for discretionary purchases of goods and/or services not exceeding \$200,000, in the aggregate including all amendments, from a NYS-certified MWBE or SDVOB firm or an SBE that offers a reasonable price for such goods and/or services. The award of such proposal requires the written approval of the Vice President of Procurement. Any subsequent alteration to the accepted proposal, including, but not limited to, change orders, amendments, or supplemental terms shall also necessitate the written approval of the Vice President of Procurement. Furthermore, the award of such procurement contracts will be noticed on the *Contract Reporter* website, as further set forth in Section 3.H.

E. It is the policy of New York State to promote the participation of and maximize the opportunities for New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:

1. “New York State Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
2. “New York State resident” is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.
4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New

York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.

5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
 6. Pursuant to Public Authorities Law § 2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.
- F. Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains SSM Department, or facility SSM Departments, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.

Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a “mini-bid” (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts. Certain other Procurement Contracts issued by the Authority (e.g., for on-call consulting or contracting services) may also utilize a mini-bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Authority’s bid requirements, in order to satisfy multiple factors and needs as set forth in the bid document. Such mini-bids shall be conducted by the Authority’s SSM staff (or on behalf of the Authority by an Implementation Contractor) where applicable and practicable. Within a said multiple award group, work may be assigned to a specific firm without conducting a mini-bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Authority’s needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini-bid shall typically be made jointly by the SSM and initiating departments, and shall be documented for the procurement record.

- G. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; milestone dates; the Authority's Supplier Diversity Program and SDVOB requirements, if applicable; all other applicable Authority requirements and any special methods or limitations that the Authority chooses to govern the work. Telephone solicitation, usually for procurements valued at less than \$50,000, may be used where time constraints do not permit issuance of an RFP, where issuance of an RFP is otherwise impracticable or for goods that are catalog items or do not require a detailed bill of materials or specification. All solicitations made by telephone shall be documented and made part of the Procurement Record.
- H. For all Procurement Contracts with a value equal to or greater than \$50,000 (except for those contracts noted below), the Authority will, prior to soliciting proposals, submit the following information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, (www.nyscr.ny.gov) (unless such posting would serve no useful purpose): (1) the Authority's name and address; (2) the solicitation number; (3) a brief description of the goods and/or services sought, the location where goods are to be delivered and/or services provided and the contract term; (4) the address where bids or proposals are to be submitted; (5) the due date for bids or proposals; (6) a description of any eligibility or qualification requirements or preferences; (7) a statement as to whether the contract requirements may be fulfilled by a subcontracting, joint venture or coproduction arrangement; (8) any other information deemed useful to potential contractors; (9) the name, address, and phone number of the person to be contacted for additional information and (10) a statement as to whether the goods and/or services sought have, in the immediately preceding three-year period, been supplied by a Foreign Business Enterprise. Such information will be submitted to the DED Commissioner in accordance with the schedule set forth by the DED. The due date for bids or proposals will be a minimum of 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposal process, the Authority will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

This section 3.H does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.M, (ii) Procurement Contracts being rebid or re-solicited for substantially the same goods and/or services, within 45 business days after the original due date, and/or (iii) Procurement Contracts awarded to not-for-profit human services providers. (See Article 4-C, Economic Development Law)

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that

do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the SSM Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

Notwithstanding the foregoing, submittal of a notice / announcement of award for inclusion on the *Contract Reporter* website is required for Procurement Contracts with a value of \$50,000 or more awarded on a sole source or single source basis, including such discretionary contracts not exceeding \$200,000 awarded to Small Businesses or NYS-certified SDVOB or MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for procurement contract bidding opportunities, in accordance with the afore-referenced law. Such notice shall specify the name of the awardee.

- I. In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, the Service-Disabled Veteran-Owned Business ("SDVOB") Act was signed into law on May 12, 2014. The SDVOB program provides for eligible Veteran business owners to become certified as a New York State Service-Disabled Veteran-Owned Business. The Division of Service-Disabled Veterans' Business Development within the New York State Office of General Services ("OGS") is responsible for certifying eligible SDVOBs, assisting agencies and authorities in complying with the law, and promoting SDVOB participation in the state's procurement activities. Under this program, contracts may be awarded on a non-competitive basis to NYS-certified SDVOBs for discretionary purchases not exceeding \$200,000 in the aggregate. Alternately, contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of value, and advertised as such on the *Contract Reporter* website.
- J. Proposals for certain Services Contracts may also be solicited by competitive search, as follows:

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as an Authority representative, a "competitive search" will be conducted to determine which consultants are most qualified, for reasonable compensation terms, to perform the work. Depending on market conditions, at least five potential sources should be evaluated; if there are fewer than five sources, all sources should be evaluated. The White Plains SSM Department or the appropriate facility SSM Department will work with the initiating

department to gather information from potential sources, that will include a description of the consultant/firm's qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
 2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
 3. A sole supplier's item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
 4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
 5. The contract is awarded to a Small Business or to a NYS-certified SDVOB or MWBE firm for discretionary purchases not exceeding \$200,000, pursuant to Section 3.D and as further set forth in Section 2.M.
 6. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 7. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled "Comptroller Approval of Contracts Made by State Authorities" ("Comptroller Regulations") and the State Authority Contract Manual.
- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
- M. Subject to the Authority's Expenditure Authorization Procedures ("EAPs"), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without

following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:

1. A threat to the health or safety of the public or Authority employees or workers.
 2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the reasons therefor to the White Plains SSM Department or the appropriate facility SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the SSM Department.
- P. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.
- Q. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:
1. A “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of

other interest in real property that is the subject of a governmental procurement, with an estimated annualized expenditure in excess of \$15,000. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.

2. The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State *Contract Reporter*) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerors (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.
 3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.
- R. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority’s Corporate Policy regarding this matter.
- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal “Restricted Period.” Covered individuals at the Authority means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Authority means both “external” (e.g., a lobbyist) and

“internal” (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority’s Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder’s skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.

In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains SSM Department and/or the appropriate facility SSM Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s) or designee, to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.

- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority’s work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder’s skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others

will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

Another Supplier Diversity Program factor to be considered in evaluating proposals may involve an assessment of the bidder's diversity practices, where applicable. Pursuant to Article 15-A of the Executive Law, diversity practices are the contractor's practices and policies with respect to utilizing NYS-certified MWBEs in contracts as subcontractors and suppliers, and entering into partnerships, joint ventures or other similar arrangements with NYS-certified MWBEs. A contractor's diversity practices may be assessed when: (1) a procurement is awarded on the basis of "Best Value" as described in Section 4.D. (but *not* when a procurement is awarded based upon "lowest price"); (2) the anticipated award is \$250,000 or greater; and (3) such assessment is practicable, feasible and appropriate. Such assessment shall not permit the automatic rejection of a bid or procurement contract proposal based on lack of adherence to diversity practices.

- C. For Services Contracts (as defined in Section 2.C of these Guidelines), the technical merits of the proposals and the experience and capabilities of the bidders will be the primary factors in determining the individual or firm to be awarded the contract, provided that the price for performing such work is reasonable and competitive.
- D. For Procurement Contracts other than Personal Services (as defined in Section 2.C of these Guidelines), the award should generally be made to the lowest-priced firm submitting a proposal that meets the commercial and technical requirements of the bid documents. (See also Section 4.F regarding award to "other than low bidder".)

As a best practice and pursuant to State Finance Law § 163, the Authority will be transitioning to a "Best Value" basis for awarding contracts for services to the offeror that optimizes quality, cost and efficiency, among responsive and responsible offerors. Such basis shall reflect, wherever possible, objective and quantifiable analysis and may also identify a quantitative factor for offerors that are Small Businesses or NYS-certified SDVOB or MWBE firms.

- E. Pursuant to § 139-k of the State Finance Law, the Authority shall not award a Procurement Contract (as defined in Subsection 3.Q.1 of these Guidelines) to a bidder/contractor who fails to provide timely, accurate and complete responses to inquiries about past determinations of non-responsibility (unless awarding the contract is necessary to protect public property or public health or safety and the bidder/contractor is the only source capable of supplying the required article of procurement within the necessary timeframe.)

A bidder's/contractor's knowing and willful violation of the Authority's policy providing for certain procurement disclosures shall result in a determination of non-responsibility of such bidder/contractor pursuant to State Finance Law §§ 139-j and 139-k only.

More than one determination of non-responsibility due to violations of State Finance Law § 139-k in a four-year period shall render a bidder/contractor ineligible to submit bids for four years from the second determination of non-responsibility.

- F. An award to “other than low bidder” can be made only with the approval of appropriate management as stipulated in the EAPs, and should be based on such a proposal providing a clear advantage to the Authority over the lower-priced proposal. Factors justifying an “other than low bidder” award may include, but are not limited to: improved delivery schedules that will reduce outages; longer warranty periods; improved efficiency over the usable life of the equipment; reduced maintenance costs; the bidders’ financial resources or the ability to meet or exceed Supplier Diversity Program and SDVOB goals; and overall, the bidder’s skill, judgment and business integrity.
- G. The specifications set forth in any solicitation prepared under these Guidelines were based upon information available at the time of the preparation of the solicitation. Thus, the Authority may diverge from the specifications of any solicitation if, after review of the proposals responsive to such solicitation, the Authority deems it prudent in light of its experience, the circumstances of the solicitation and/or potential cost savings.

5. RECOMMENDATION OF AWARD

- A. A recommendation for approval of a proposed award of a Procurement Contract is usually prepared in the form of a memorandum or e-mail by the department requiring the goods and/or services. The recommendation must include an evaluation of proposals as specified in Article 4 above, as well as proposed specific compensation terms that provide a clear breakdown of cost factors and methods of calculation, including, as applicable:
 - 1. Lump sum and/or unit prices for equipment and construction work.
 - 2. Hourly or daily rates for personnel.
 - 3. Markups for payroll taxes, fringe benefits, overhead and fees, if the proposal is based on reimbursement of actual payroll costs.
 - 4. Terms for reimbursement of direct out-of-pocket expenses, such as travel and living costs, telephone charges, services of others and computer services.
 - 5. Provisions, if any, for bonus/penalty arrangements based on target person-hours and/or target schedule.

- B. The recommendation will also review any substantive exceptions to commercial and technical requirements of a price inquiry, RFP, RFQ or bidding documents, including but not limited to payment terms, warranties and bond requirements, if any, as well as Supplier Diversity Program requirements, as applicable.

6. **AWARD OF CONTRACT**

- A. Services Contracts **valued or estimated to be \$5,000 or greater** to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12 months are approved by authorized designees in accordance with existing EAPs. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services, that has previously been approved by the Trustees, for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts **valued or estimated to be \$5,000 or greater** to be performed for a period of more than 12 months that must be awarded prior to the next quarterly Trustees' meeting, the initial contract will be issued for the entire intended term of the contract. Based on its total term and value, such contract must be approved in writing by the appropriate management as set forth in the EAPs. Such contract is subject to the Trustees' approval, at the next quarterly Trustees' meeting. If such approval is not granted, the contract will be terminated immediately.
- C. A contract or contract task **valued or estimated to be \$5,000 or greater** is deemed to be for services in excess of 12 months where the contract does not specify a definite term and the work will not be completed within 12 months, and any "continuing services" contract with no fixed term that provides for the periodic assignment of specific tasks or particular requests for services. This includes Trustee-approved contracts for architect/ engineering services with the original engineers of operating facilities, as well as the original supplier of steam supply systems or boilers and turbine generating equipment. Each task authorized under such contracts (which may be referred to as a "Change Order," "Purchase Order" or "Task Number") is considered a separate commitment and must be separately approved in accordance with the EAPs.
- D. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions.

- E. When time constraints or emergency conditions require extending an existing contract with an initial duration of less than a year beyond a year, and the cumulative monetary change order value does not exceed the appropriate limit set forth in the EAPs, the Business Unit Head, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize extending such contract, subject to the Trustees ratifying such action as soon as practicable.
- F. When the total estimated contract value or the value of the extension exceeds the monetary limits set forth in the EAPs, interim approval by the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee is required, subject to the Trustees ratifying such action as soon as practicable.
- G. When time constraints or emergency conditions require immediate commencement of services to be performed for a period of more than one year, and when the contract value exceeds the monetary approval limit for the President and Chief Executive Officer or Chief Operating Officer or equivalent(s), as set forth in the EAPs, the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize in writing the commencement of such services. The initial compensation limitation may not exceed the authorization level for the President and Chief Executive Officer or equivalent(s) or Chief Operating Officer or equivalent(s) as set forth in the EAPs. Such contracts will be subject to the Trustees' approval, which will be solicited at their next scheduled Trustee meeting.
- H. The White Plains SSM Department or the facilities' SSM Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at the Foreign Business Enterprise or acting on behalf of same who is principally responsible for the proposed Procurement Contract.

7. **CONTRACT PROVISIONS**

- A. The following standard forms of contracts are available from the White Plains SSM Department: purchase order format (for standard procurements of goods and/or services); furnish-and-deliver format (for major equipment purchases); long form agreements (for consulting services) and maintenance agreement formats; contract work orders (for construction work of small magnitude); construction contracts (for major construction work) and furnish, deliver and install contracts (for specialized, major procurements where single responsibility is required for procurement and installation). These contract forms are intended to govern the purchase of goods and/or performance of services.

Authority departments proposing to initiate a Procurement Contract should review these forms to suggest any modifications and additions that may be required for the particular goods and/or services. Under no circumstances should contract forms be shown to proposed bidders without the prior approval of the SSM Department, which, along with the facilities' SSM Departments, is solely responsible for requesting proposals.

- B. The following types of provisions setting forth contractor responsibilities are to be contained in the standard forms of Procurement Contracts, except that any provisions listed below that are inapplicable or unnecessary because of the nature or duration of the work to be performed, the location(s) where the work is to be performed or the type of compensation being paid therefor, need not be included. Other provisions may be added as necessary and appropriate.

1. Schedule of Services or Specifications
2. Time of Completion
3. Compensation or Itemized Proposals
4. Relationship of Parties
5. Delays
6. Termination
7. Changes in the Work
8. Claims and Disputes
9. Warranty
10. Insurance
11. Records, Accounts, Inspection and Audit
12. Assignment
13. Notices
14. Indemnification
15. Governing Law
16. Proprietary Nature of Work
17. Testimony
18. MWBE requirements
19. SDVOB requirements

20. Entire Agreement

Contract Attachments

1. Compensation Schedule
2. Schedule of Services or Specifications
3. Appendix “A” (Miscellaneous Statutory Provisions)
4. Appendix “B” (Prompt Payment Provisions)
5. Appendix “C” (Minority- and Women-owned Business Enterprise (MWBE) Participation Goal Requirement)
6. Appendix “D” (Background Security Screening for Authority Contractors)
7. Appendix “E” (Omnibus Procurement Act of 1992 Requirements)
8. Appendix “F” (Computer Aided Design Requirements For New York Power Authority Drawings)
9. Appendix “G” (Equal Employment Opportunities Requirements)
10. Appendix “H” (Tax Law Requirements)
11. Appendix “I” (New York Power Authority (NYPA) North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) Cyber Access And/Or Unescorted Physical Access Training Requirements)
12. Appendix “J” (Bidder/Contractor Compliance with State Finance Law §§ 139-j and 139-k Providing for Certain Procurement Disclosures)
13. Appendix “K” (Additional State and Federal Provisions Required for American Recovery and Reinvestment Act (Pub. L. No. 111-5 Stat. 2009) (“ARRA”) Funded Projects) - inactive
14. Appendix “L” (DOE Federal Contract Provisions) - inactive
15. Appendix “M” (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology (“BART”) for Heavy Duty Vehicles)
16. Appendix “N” (The New York State Iran Divestment Act of 2012 – Iranian Energy Sector Divestment)
17. Appendix “O” (Encouraging Use of New York State Businesses in Contract Performance) – inactive
18. Appendix “P” (Information Security Requirements for Vendors and External Partners)

- C. If a vendor (firm, person or other entity) participates in the development or writing of the specifications for a procurement solicitation, such vendor shall not be permitted to bid on such procurement, either as a prime vendor or as a subcontractor at any level. Contracts for evaluation of offers for products or services shall not be awarded to a vendor that would then evaluate its own offers for products or services.

Furthermore, any firm, person or other entity retained by the Authority to provide conceptual studies, designs or specifications is prohibited from being awarded future phases of work, including implementation, related to the original work.

The above restrictions shall not apply where:

1. The vendor is the sole source or single source of the product or service;
2. More than one vendor has been involved in preparing the specifications for a procurement proposal;
3. There is no qualified response to the solicitation for future phases of work, including implementation; or
4. The originating Authority Business Unit determines in writing that the restrictions are not in the best interests of the Authority. Such originating Business Unit shall obtain the approval of the applicable Business Unit Head or equivalent(s), Vice President of Procurement or equivalent(s) or designee, Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) to waive this restriction on a case-by-case basis.

8. **CHANGE ORDERS**

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.M herein, that require the immediate performance of work by a firm already under contract;
 4. When rebidding would not be practical or in the best interests of the Authority's customers; and
 5. To meet the Authority's Supplier Diversity and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- B. All Change Orders must be approved in accordance with the Authority's EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the modification was neither contemplated nor provided for in the solicitation for such competitive procurement.

9. **CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES**

- A. Former Authority officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Joint Commission on Public Ethics that such engagement is permissible; and upon approval of the President and Chief Executive Officer, as well as the Chairman of the Board of Trustees.
- B. Pursuant to the provisions of New York Public Officers Law § 73(8):
 - 1. No Authority officer or employee is eligible, within a period of two years after the termination of Authority service to appear or practice before the Authority or receive compensation for any services rendered on behalf of any person, firm, corporation or association, in relation to any case, proceeding or application or other matter before the Authority.
 - 2. No Authority officer or employee is eligible, at any time after the termination of Authority service, to appear, practice, communicate or otherwise render services before the Authority or any other state agency or receive compensation for any such services rendered on behalf of any person, firm, corporation or other entity in relation to any case, proceeding, application or transaction that such person was directly concerned with and personally participated in during his or her period of service, or which was under his or her active consideration.
 - 3. Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Authority officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Authority, if, prior to engaging in such service, the Chairman of the Board of Trustees certifies in writing to the New York State Joint Commission on Public Ethics that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Authority's needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the reasons for such certification. The New York State Joint Commission on Public Ethics must review and approve all such certifications.
- C. No Authority employee who is involved in the award of Authority grants or contracts may ask any officer, director or employee of such current or prospective

contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official or candidate for elective office or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

- D. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 9.C above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- E. No Authority employee may take part in any contracting process or decision: (i) to a Relative; or (ii) to any entity in which the Authority employee or a Relative of such Authority employee owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section 9.E, then the employee must advise in writing his or her supervisor and the Office of Ethics and Compliance of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
 - 1. For purposes of this Section 9.E, the term "Relative" is defined in Definitions, Section 2.G of these Guidelines.

10. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS

The Authority strives to continue to foster the development of business opportunities on Authority contracts for MWBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. The definition of an MWBE is included in Section 2.H of these Guidelines. The Authority aims to solicit proposals from NYS-certified MWBEs that are qualified to perform the required work. In addition, specific goals may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Bidders' proposals will include a completed preliminary Utilization Plan Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required. Such bidders' failure to meet these requirements may be grounds for rejection of the proposal, or cancellation of the contract if a contractor did not make a good faith effort to meet its goals after contract award. Final MWBE Utilization Plans for Construction contracts valued at more than \$100,000 shall be provided and posted on the Procurement website by the successful vendor within ten business days of contract signing.

Pursuant to § 2879 of the Public Authorities Law and as further set forth in the Authority's Supplier Diversity Program documents, the following guidelines apply:

1. Identify those areas or types of contracts for which MWBEs may best bid so as to promote and assist participation by such enterprises and facilitate a fair share of the awarding of contracts to such enterprises.
2. Provide notice, in addition to any other notice of procurement opportunities required by law, to professional and other organizations that serve MWBEs providing the types of services procured by the Authority.
3. Maintain lists of qualified NYS-certified MWBEs, including professional firms that have expressed an interest in doing business with the Authority and ensuring that such lists are updated regularly. The Authority shall also consult the lists of NYS-certified MWBEs maintained by the DED pursuant to Executive Law Article 15-A.
4. Establish appropriate goals for participation by MWBEs in procurement contracts awarded by the Authority and for the utilization of MWBEs as subcontractors and suppliers by entities having procurement contracts with the Authority. Statewide numerical participation target goals shall be established by the Authority based on the criteria set forth in Public Authorities Law § 2879.
5. Conduct procurements in a manner that will enable the Authority to achieve the maximum feasible portion of the goals established pursuant to Subdivision 4 of this Section and that eliminates barriers to participation by MWBEs in the Authority's procurements.
6. Designate one or more senior staff of the Authority to oversee the Authority's programs established to promote and assist participation by and utilization of NYS-certified MWBEs.

11. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

The Authority also strives to foster the development of business opportunities for NYS-certified SDVOBs and to further increase participation by SDVOBs in Authority contracts, as set forth in Sections 2.L and 3.I of these Guidelines and pursuant to Article 17-B of the Executive Law. One tool is the use of SDVOB discretionary purchasing, as further described in Sections 3.D, I and K of these Guidelines. Another tool authorized by the law is the use of set-asides, which permit the reservation in whole or in part of certain procurements by state agencies and authorities when more than one NYS-certified SDVOB is available and can provide the necessary goods or services to meet the Authority's form, function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

Pursuant to Article 17-B of the Executive Law, the following guidelines apply:

1. Identify contracts where SDVOBs may best perform and/or where SDVOB goals are practical, feasible and appropriate for the purpose of increasing the utilization of SDVOB participation on Authority contracts.
2. Submit regular reports with respect to SDVOB Program activity, including but not limited to, utilization reporting and contract monitoring and compliance.
3. Achieve an overall goal of six percent for SDVOB participation on Authority contracts.

12. DISADVANTAGED BUSINESS ENTERPRISE (“DBE”) PROGRAM REQUIREMENTS ON PROJECTS THAT ARE FEDERALLY FUNDED

The Authority strives to foster the development of business opportunities for NYS certified DBEs and to further increase their participation in NYPA Federally funded contracts. The Authority aims to solicit proposals from DBEs for procurements that will be partially or fully federally funded. The Authority follows the DBE guidelines as set out by The Federal Department of Transportation (“DOT”). NYS DOT is tasked with certifying eligible small businesses as DBEs in New York State.

The Authority is committed to promoting participation of DBEs in NYPA contracting opportunities in accordance with federal law and regulations and seeks to achieve the following objectives:

1. To ensure nondiscrimination in the award and administration of Federally funded contracts;
2. To create a level playing field on which DBEs can compete fairly for Federally funded contracts;
3. To ensure that the Authority’s DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet this Federal eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in Federally funded contracts;
6. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities.
7. To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
8. To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

13. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

The White Plains SSM Department maintains records of Procurement Contracts. In addition to bid- and contract award-related documents for the goods provided and/or services performed, the Procurement Record includes, but is not limited to, documentation of the decisions made and the approach taken in the procurement process. Such records are transmitted to the Digital Warehouse for electronic storage and retrieval. At the facilities, such records are currently maintained and stored by the facilities' SSM Departments.

B. Procurement Report

After the end of each calendar year, the Vice President of Procurement or equivalent(s) will prepare and submit an annual report to the Trustees for their approval that will include:

1. A copy of the Guidelines;
2. An explanation of the Guidelines and any amendments thereto since the last annual report;
3. A list of all Procurement Contracts entered into since the last annual report, including all contracts entered into with New York State Business Enterprises and the subject matter and value thereof and all contracts entered into with Foreign Business Enterprises and the subject matter and value thereof;
4. A list of fees, commissions or other charges paid;
5. A description of work performed, the contract number, the date of the contract and its duration, the name, address and NYS-certified MWBE designation of the awardees, the total amount of the contract, the amount spent on the contract during the reporting period and for the term of the contract to date and the status of open Procurement Contracts during the report year;
6. The type of contract (equipment, services, personal services or construction);
7. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source or competitive search);
8. The reasons why any procurements with a value equal to or greater than \$50,000 were not noticed in the Contract Reporter;
9. The number of bids received and
10. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.

- C. Such annual report, as approved by the Trustees, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, and copies thereof shall be distributed to the New York State Department of Audit

and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual procurement report is posted on the Authority's website and copies shall be made available to the public upon reasonable written request therefor.

D. State Finance Law §§ 139-j and 139-k

1. A statement describing the basis for a determination of a bidder's/contractor's non-responsibility (per State Finance Law §§ 139-j and 139-k only) and the Authority's decision not to award a bidder/contractor the Procurement Contract must be included in the procurement record.
2. The Authority shall notify the New York State Office of General Services of bidders/contractors who have been determined to be non-responsible bidders (per State Finance Law §§ 139-j and 139-k only) or debarred due to violations of § 139-j of the State Finance Law.
3. All forms entitled "Record of Contact" shall be included in the respective procurement record.
4. A statement describing the basis for a termination of a Procurement Contract for providing an intentionally false certification must be included in the procurement record.

E. The Authority may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the PAAA or other statutes regulating the procurement of goods and services, such as the Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

F. The Vice President of Procurement or equivalent(s) will also prepare Annual Goal Plans for the MWBE and SDVOB programs and will submit them by January 15 of each year to Empire State Development - Division of Minority and Women Business Development and the New York State Office of General Services - Division of Service-Disabled Veterans' Business Development, respectively. Quarterly Utilization / Activity Reports for each program will also be prepared and submitted to the aforementioned respective state entities by the 15th day of July, October, January and April.

14. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS

- A. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended, nor should it be construed, to

confer on any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.

- B. Nothing contained in these Guidelines alters or affects the validity of, modifies the terms of or impairs any contract or agreement entered into in violation of these Guidelines.

GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY
PERSONAL PROPERTY

INDEX

<u>Article</u>	<u>Description</u>	<u>Page</u>
I.	PURPOSE.....	1
II.	DEFINITIONS.....	1-2
III.	OBJECTIVE.....	2-3
IV.	TRANSACTIONS NOT COVERED.....	3
V.	DESIGNATION OF PROPERTY DISPOSAL COORDINATORS.....	3-4
VI.	DISPOSAL OF AUTHORITY PERSONAL PROPERTY.....	4-12
VII.	CENTRALIZED DISPOSAL.....	12-13
VIII.	DECENTRALIZED DISPOSAL.....	13-14
IX.	PARTIES PROHIBITED FROM BIDDING.....	14-15
X.	EVALUATION OF PROPOSALS; AWARD OF CONTRACT.....	15-17
XI.	AUTHORIZATION LEVELS AND SIGNING AUTHORITY.....	17-19
XII.	OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY.....	19-21
XIII.	METHODS OF PAYMENT.....	21
XIV.	REPORTING REQUIREMENTS.....	21-22
	ATTACHMENTS A - C	

GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY PERSONAL PROPERTY

I. PURPOSE

These Guidelines for the Disposal of New York Power Authority Personal Property (hereinafter “Guidelines”), which comply with Title 5-A, Article 9 of the Public Authorities Law, establish the Authority’s policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Authority’s compliance with, and enforcement of, the Guidelines.

II. DEFINITIONS

- A. “Contracting Officer” shall mean the officer or employee of the Authority who shall be appointed by resolution of the Authority’s Board of Trustees to be responsible for the disposition of personal property. The “Contracting Officer” is hereby designated to be the Vice President – Procurement, or equivalent(s). The Authority’s Contracting Officer shall not be responsible for compliance for dispositions of the Authority’s personal property conducted by another state entity authorized to dispose of the Authority’s personal property under the Public Authorities Accountability Act (“PAAA”) or as otherwise authorized by law.
- B. “Dispose” or “disposal” shall mean transfer of title or any other beneficial interest in personal property in accordance with these Guidelines.

- C. "Property" shall mean personal property owned by the Authority regardless of value, and any other interest in such Property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. For the purposes of these Guidelines, Property may include, but is not limited to, materials, tools, equipment, or vehicles.
- D. "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair Market Value may be determined by consulting industry-recognized sources, contacting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.
- E. "Relative" is defined in Subsection X.G.1 of these Guidelines.

III. OBJECTIVE

The objective of these Guidelines is to identify those Authority personnel responsible for authorizing the disposal of Property owned by the Authority and to ensure that the Authority receives fair and reasonable value for such Property. The transfer or sale of Property shall be accounted for in accordance with the Authority's Corporate Accounting Policy No. CAP 4.3 "Accounting for Materials and Supplies

Inventory,” and the Authority’s procedures for the disposal of Property implementing these Guidelines.

IV. TRANSACTIONS NOT COVERED

These Guidelines do not apply to any of the following transactions:

1. Disposal of real property interests;
2. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
3. Transfer/re-deployment of Property from one Authority facility to another Authority facility or to Canal Corporation;
4. Disposal of natural gas that is subject to the Authority’s Energy Resource Management Fuels Procedures.

V. DESIGNATION OF PROPERTY DISPOSAL COORDINATORS

- A. The Contracting Officer shall be responsible for the Authority’s compliance with, and enforcement of, the Guidelines, including through development and implementation of internal controls (such as written procedures and supporting tools).
- B. The individual responsible for disposal of Property greater than \$5,000 at the Authority’s facilities will be the Director – Site Purchasing & Warehouse (“DSP&W”) or equivalent. For purposes of Property disposal, the DSP&W reports directly to the Contracting Officer or authorized designee.
- C. The Manager - Purchasing/Warehouse at each facility acts as the local Property

Disposal Coordinator, who is responsible for Property disposal less than or equal to \$5,000 and assists the DSP&W with all other disposals at his or her facility or location ("Facility PDC"). The Facility PDC reports to the DSP&W.

- D. The Contracting Officer or authorized designee will designate one or more individuals from the White Plains Office Procurement Division, (rebranded Strategic Supply Management, hereinafter "SSM"), to be the Property Disposal Coordinator(s) for the White Plains and other corporate offices ("WPO PDC"). For purposes of Property disposal, the WPO PDC(s) will confer, interface with and report to the Contracting Officer or authorized designee.
- E. The Director of Fleet Operations ("DFO") or equivalent(s) or authorized designee is responsible for the disposal of vehicles and rolling equipment. The DFO reports directly to the Vice President – Enterprise Shared Services or equivalent, or authorized designee.
- F. If appropriate, the responsible Facility PDC should confer (by oral or written communication) with the DSP&W and the WPO PDC(s) should confer (by oral or written communication) with the Contracting Officer or authorized designee to determine if a "centralized" sale of Property, as outlined in Article VII, is appropriate. If agreed, the responsible Facility or WPO PDC (collectively hereinafter referred to as "PDC") should arrange for shipment of the Property to be sold from the site to the sale location. If a centralized sale is not appropriate, the responsible PDC should proceed in accordance with the "decentralized" procedures, as outlined in Article VIII.

VI. DISPOSAL OF AUTHORITY PERSONAL PROPERTY

Except for Disposals pursuant to Article VII, Article XII and Subsection VI.A.4 of these Guidelines, whenever practicable, the responsible PDC shall solicit proposals from qualified bidders, to purchase the Property to be disposed of, and will maintain records of such solicitations. The PDC should use “Attachment A” attached hereto or an appropriate substitute for solicitations under this Article VI.

A. DISPOSAL METHODS FOR PERSONAL PROPERTY

1. For the purposes of these Guidelines, disposal methods may include, but are not limited to: sale (directly to the Buyer, through a third party, negotiation, advertised public auction that permits full and free competition consistent with the value and nature of the property or on any other centralized basis that achieves the same level of competition); return to the original equipment manufacturer or to the source; trade-ins or disposals as part of a competitive procurement; or disposal through the New York State Office of General Services (“OGS”). Provided, however, that no disposition of any Property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar Property, shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction. The Authority's Environment, Health and Safety Division should be consulted, on a

case-by-case basis, regarding disposal of items that may be considered hazardous waste.

2. Solicitation via telephone, e-mail and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by this procedure and by the date and time (the “Bid Due Date”) included in the solicitation.
3. All Disposals of Authority Property in excess of \$15,000 shall be made after publicly advertising for bids except as provided in Subsection 4 below, using the following process:
 - a. the appropriate advertisement for bids (Attachment “B” or an appropriate substitute) shall be made at such time prior to the Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. This may include advertisements in one or more of the following publications, depending on the nature of the Property: local newspapers in the geographic area of the facility where the sale is taking place, trade journals, regional or nationwide publications (if the market for such sale is regional or nationwide), the New York State Contract Reporter, internet services or other communication outlets as appropriate;

- b. all bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by these guidelines and by the Bid Due Date included in the solicitation;
 - c. where the value of the Property exceeds \$5,000, all bid amounts shall be posted to the Authority's internet website or publically disclosed at the time and place of the sale; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.
4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
- a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 3 of this Section, would adversely affect the state or local market for such Property, and the estimated Fair Market Value of such Property and other satisfactory terms of disposal may be obtained by negotiation;

- b. bid prices after advertising therefore are not reasonable, either as to all or part of the Property, or have not been independently arrived at in open competition;
 - c. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Property and other satisfactory terms of Disposal are obtained by negotiation;
 - d. under those circumstances permitted by Subsection 6 of this Section;
 - e. if the estimated or actual fair market value of the property does not exceed \$15,000; or
 - f. such action is otherwise authorized by law.
5. An explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property which has an estimated Fair Market Value in excess of fifteen thousand dollars (\$15,000). In addition, an explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property disposed of by exchange, regardless of value. Each such statement shall be transmitted to the Commissioner of General Services, the State Legislature, the State Comptroller, the Director of the Division of the Budget and the Authorities Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.
6. a. No Property owned or otherwise in the control of the Authority may be disposed or otherwise alienated for less than its Fair Market Value except if:

- (i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any other public entity;
- (ii) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
- (iii) in the event the Authority seeks to transfer Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such

action within sixty days of January first of the following year.

If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and if the transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

b. In the event a below Fair Market Value Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the

kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Property is situated as are required by the transfer;

- (iv) a statement of the value to be received compared to the Fair Market Value;
- (v) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph (iv) of this Subsection, a statement of the value to the private party; and
- (vi) the names of other private parties who have made an offer for such Property, the value offered and the purpose for which the Property was sought to be used.

c. Before approving the Disposal of any Property for less than Fair Market Value, the Board of Trustees shall consider the information described in paragraph b of this Subsection and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

- 7. In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall

be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

B. DISPOSAL OPTIONS IF NO BIDS OR NO ACCEPTABLE BIDS ARE RECEIVED

The appropriate PDC shall confer with the DSP&W and the Contracting Officer or authorized designee to decide (i) if re-soliciting is feasible; (ii) if shipment to a third-party contractor for Disposal would result in higher-priced proposals; (iii) if disposal by other methods would be appropriate; and/or (iv) if the Fair Market Value estimate requires review or adjustment, where:

1. the solicitation pursuant to Section VI.A does not produce any bids to purchase the Property;
2. in the opinion of the Authority, the bids are not arrived at independently;
3. all bids are not reasonable in accordance with Section X.C; or
4. all bids received are less than the Authority's Fair Market Value estimate.

VII. CENTRALIZED DISPOSAL

A. Subject to the approval of the Contracting Officer or authorized designee and in

accordance with Article VI of these Guidelines, in either the initial document authorizing the disposal or through a subsequent communication, Property may be disposed of using any of the following methods:

1. Shipment of the material to a third-party vendor(s), selected by competitive bidding, which, pursuant to these Guidelines, will market the material for sale or dispose of such material in accordance with environmental and any other Authority requirements.
2. Consolidation of such Property at one of the Authority's facilities or an offsite warehouse for the purpose of conducting a sale managed by Authority staff, possibly with the assistance of an outside contractor.
3. Participation in public auctions provided the advertisement for bids through such methods permits full and free competition consistent with the value and nature of the property, as may be conducted through an independent auctioneer, online auction service, or another utility.

VIII. DECENTRALIZED DISPOSAL

- A. The Regional Manager, Project Manager, or head of a Department or Division requiring disposal of Property which he or she believes to be disposable, will submit to the responsible PDC a written description of the material, with the original price (if known), and estimate of the Property's Fair Market Value (if available). If practical, a photograph of the material or equipment in question should be provided. Such submission shall be made to the responsible PDC for the location where the Property is located.

- B. If the responsible PDC, in conference with either the DSP&W or the Contracting Officer or authorized designee, as appropriate, determines that other Authority facilities may have an interest in the Property, a notice should be sent to the other Authority facilities advising of its availability and requesting a response within a specified time frame. A record of the notice will be maintained by the responsible PDC. In the event that the responsible PDC and either the DSP&W or the Contracting Officer or authorized designee, as appropriate, determine there is no interest in such material at other Authority facilities, a written explanation should be prepared by the PDC to that effect and maintained in the file for that transaction.
- C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Property in accordance with these Guidelines.

IX. PARTIES PROHIBITED FROM BIDDING

- A. All current and former employees of the Authority and relatives of such employees or third parties acting on behalf of such employees shall not be eligible to bid for the purchase of Authority Property and are prohibited from subsequently acquiring it in any manner. Each bidder will be required, as part of his or her bid, to certify, by signing Attachment "A," that he or she is not a current or former employee of the Authority, is not related to any current or former employee of the Authority and is not acting on behalf of a current or former employee of the Authority or a relative of any such employee. No bid will be accepted unless accompanied by such certification.
- B. The term "related to" as used in paragraph A above means the relationship of

spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT

- A. Following the receipt of proposals for the Property, the responsible PDC shall evaluate the proposals submitted and determine whether the highest of such proposals is reasonable, given the estimated Fair Market Value of the Property.
- B. If the responsible PDC determines that the highest bid received is reasonable, the responsible PDC shall recommend to the Responsible Officer(s) or designee, as hereinafter defined in Article XI, that such bid be accepted, and upon the written approval of the Responsible Officer(s) or designee, the sale shall be made to the person offering such proposal. After obtaining all necessary approvals in accordance with Article XI “Authorization Levels,” a Sales Agreement appended hereto (“Attachment C”) must be executed by the responsible Authority staff member and by the successful bidder prior to completion of the transaction. (See Section XI.C.)
- C. If either (a) the responsible PDC determines that the highest bid is not reasonable or (b) the Responsible Officer(s) or designee decline(s) to authorize the sale, the Property will, except as provided in paragraph D below, be retained for future disposal in accordance with these Guidelines. Factors to be considered in determining whether a bid is reasonable include,

but are not limited to: adequacy of the estimate of the Fair Market Value, anticipated improved future market conditions, potential for other means of disposal or redeployment, financial viability of the bidder, and condition of the Property.

- D. Notwithstanding any determination by the responsible PDC, the Responsible Officer(s) or designee, with the review and approval of the Contracting Officer, may direct the sale of the Property to the person or firm submitting the highest bid.
- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any

entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

1. For purposes of this Section G, the term “Relative” shall mean any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant.

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

- A. For the purposes of these Guidelines, the Responsible Officer(s) or designee will in each case review the appropriateness of the Fair Market Value estimate and the recommendation for contract award for disposal of the Property. Responsible Officers or designee are designated as follows:
 1. The Board of Trustees, if the Fair Market Value of the Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6; or
 2. The President or the Chief Operating Officer or equivalent(s), if the Fair Market Value of the Property is up to \$1,000,000; or
 3. The Executive Vice President and Chief Financial Officer or equivalent(s), if the Fair Market Value of the Property is up to

\$750,000; or

4. For Fleet-related transactions, the Senior Vice President – Human Resources and Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$750,000; or
5. The Vice President – Procurement or equivalent(s), if the Fair Market Value of the Property is up to \$500,000; or
6. For Fleet-related transactions, the Vice President – Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000; or
7. The DSP&W, if the Fair Market Value of the Property is up to \$100,000; or
8. For Fleet-related transactions, the Director – Fleet Operations, if the Fair Market Value of the Property is up to \$100,000; or
9. The responsible PDC, if the Fair Market Value of the Property is \$5,000 or less.

B. For public auctions or similar centralized disposals, such authorization should be obtained prior to submitting Property to auction based on the estimated Fair Market Value of the Property.

1. For purposes of these Guidelines, the Director - Fleet Operations (“DFO”) or equivalent(s) and DSP&W are authorized to sign Disposal Sales Agreements based upon the provisions of Section XI.A above whereby the DFO is authorized to sign fleet-related sales agreements and the DSP&W may sign both fleet and non-fleet sales agreements.

- C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures – Attachment C.
- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority's Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

These Guidelines are not intended to restrict disposals as part of a competitive procurement, including trade-ins, where the procurement is competitively bid and awarded in accordance with the Authority's Guidelines for Procurement Contracts and Fair Market Value can be obtained for the Property. Any such proposed disposal must be included as part of the solicitation of bids for the procurement. The solicitation must also include an estimated Fair Market Value of the Property or minimum bid amount. The disposal or trade-in value must be stated in the proposals from bidders. When disposing of Property as part of a competitive procurement, the Authority may consider the cost difference between the accepted

proposal and the next lowest responsive proposal as part of the consideration for the disposal of the Property.

B. **Return to the Original Equipment Manufacturer (“OEM”) or to the Source**

For Property with a Fair Market Value of \$15,000 or less, return of materials to the OEM or the source is permissible provided that the Authority receives full value for any materials equal to the price paid by the Authority or the estimated Fair Market Value of the Property. In the event a re-stocking fee is charged by the OEM or the source, the DSP&W or the Contracting Officer or authorized designee, as appropriate, shall be consulted to determine if such a re-stocking fee is reasonable and if there are other opportunities for sale of such material. Approval of all such returns to the OEM or the source when a re-stocking fee is charged, must be in accordance with the Authorization Levels delineated in Section XI.A.

C. **Disposal through the New York State Office of General Services (OGS)**

The Authority may utilize OGS for Disposal of Authority-owned Property including on-line disposal methods offered by OGS. In addition, in accordance with New York State law, surplus computers and related accessories, surplus office furniture, and other equipment may, with the approval of the Contracting Officer or authorized designee, be transferred to OGS for disposition, in the case of computers and accessories to school districts located near Authority offices or operating facilities, or in the case

of office furniture and office equipment, to other state entities. Disposal of these items in this manner represents the best value to New York State in lieu of attempted re-sale of such materials.

XIII. METHODS OF PAYMENT

The proceeds from the sale of Property in the form of cash or a certified check made payable to the Authority must be forwarded to the Authority's Treasurer by the Facility PDCs and to the Authority's Controller's Office by the DSP&W and WPO PDC(s). In certain cases involving a transfer of Property to other state agencies or authorities, the performance of documented services to the Authority equal to or greater in value to the Fair Market Value of the Property, will serve as payment for such Property. The authorization limits of Article XI shall apply to such transactions.

XIV. REPORTING REQUIREMENTS

- A. The Authority shall publish, not less frequently than annually, a report of all Property having a FMV in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Authority during such period. Such report shall be prepared in conjunction with the report required by the Authority's "Guidelines for the Disposal of New York Power Authority Real Property."
- B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the

Commissioner of General Services, the State Legislature and the Authorities Budget Office.

- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.
- D. For disposal by negotiation of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of personal property and real property.
- F. The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

BID SHEET

The following personal property is available for sale "AS IS, WHERE IS" and the Power Authority gives no warranty whatsoever as to its condition.

LUMP SUM BID AMOUNT* \$ _____

Subject to all terms and conditions set forth on the reverse hereof, the undersigned offers and agrees to purchase the above-described personal property at the bid amount indicated.

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

* All sales are subject to New York State Sales Tax and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.

PERSONAL PROPERTY SALE
SALE NO. _____
NEW YORK POWER AUTHORITY
(ADDRESS OF PROJECT)
Telephone: () _____
FAX: () _____

Subject to the terms and conditions stated below, bids will be received on the personal property, either by mail, fax or hand delivery at the (Location) no later than (Date) _____.

The personal property is available for inspection, by appointment, at the (Project) _____.
For an appointment, please contact the Property Disposal Coordinator, (Name) _____
at (Telephone no.) _____.

Successful bidders will be required to pay by certified check, on notice from the Authority that the bid has been accepted, and remove the personal property from the Authority's premises within ten (10) calendar days after receipt of notice of award.

Envelopes containing bids submitted by mail should be marked on the outside to indicate that a bid on Sale No. ____ is enclosed.

Current and former employees of the Power Authority or relatives of such employees or third parties acting on behalf of such employees or relatives are ineligible to bid and are prohibited from subsequently acquiring such personal property in any manner.

1. **INSPECTION.** Bidders are invited, urged and cautioned to inspect the personal property being sold prior to submitting a bid. The personal property will be available for inspection at the time and place specified above. In no case will failure to inspect constitute grounds for the withdrawal of a bid after opening.
2. **CONDITION OF PROPERTY.** All personal property listed is offered for sale "AS IS, WHERE IS". The Authority does not in any way warrant the fitness of the personal property for any particular use or its merchantability and disclaims any other representations or warranties, express or implied, including, but not limited to, quality, character, performance or condition of the personal property or any of its component parts, assemblies, or accessories.
3. **CONSIDERATION OF BIDS.** Bids must be submitted in writing on the form provided by the Authority (see reverse side) and shall be submitted on all items listed. The Authority reserves the right to reject any and all bids, to waive technical defects in bids and to award sale of the items as may be in the best interest of the Authority.
4. **PAYMENT.** The Purchaser agrees to pay for the awarded personal property in accordance with the prices quoted in his/her bid. Payment of the full purchase price must be made within the time allowed for removal, and prior to the release of any personal property to the Purchaser.
5. **NEW YORK STATE SALES AND COMPENSATING USE TAX.** All sales will be subject to New York State Sales and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.

ADVERTISEMENT FOR PROPOSALS

The following described personal property, shall be sold "AS IS, WHERE IS" by the New York Power Authority ("the Authority").

1. Sealed bids are invited for the above, which will be available for inspection by inquiry at the (Location/Building) at the (Project and Address) between the hours of _____ a.m. to ____ p.m. on (Date/s). Bids must be submitted on the Authority's bid form, which can be obtained by calling (Telephone no.). No bid will be accepted unless it is on such form. Bids shall be accepted on or before ____ p.m. on (Date).
2. Current and former employees of the Authority or relatives of such employees or third parties seeking to act on behalf of such employees or relatives shall be ineligible to bid.
3. Successful bidders, on notice from the Authority, shall be required to pay by certified check and shall promptly remove the personal property from the Authority's property.
4. The Authority reserves the right to reject any and all bids.

**PERSONAL PROPERTY
SALES AGREEMENT**

_____, the Buyer, and the Power Authority of the State of New York ("the Authority"), agree as follows:

- 1) The personal property identified herein is sold by the Authority and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) **THE AUTHORITY DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
- 3) The Buyer warrants that he/she/it is not a current or former Authority employee, is not related to an Authority employee and did not bid on behalf of an Authority employee. Buyer is aware that Authority employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. The Authority reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the Authority and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the Authority and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.
- 5) Except for disposals by public auction, the Buyer shall remove the personal property from the Authority's premises by _____ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York Power Authority.

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

Power Authority of the State of New York
123 Main Street
White Plains, New York 10601

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF AUTHORITY PROPERTY.

This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the Power Authority of the State of New York in the sale of Authority personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).

Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Authority.

This information will be maintained by Fleet Operations, at the Power Authority of the State of New York, Clark Energy Center located at 6520 Glass Factory Road, Marcy, N.Y. 13403, (315) 724-8186 or, when appropriate, by the Procurement Department at the Corporate office or at one of the Authority facilities.

GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY
PERSONAL PROPERTY

INDEX

<u>Article</u>	<u>Description</u>	<u>Page</u>
I.	PURPOSE.....	1
II.	DEFINITIONS.....	1-2
III.	OBJECTIVE.....	2-3
IV.	TRANSACTIONS NOT COVERED.....	3
V.	DESIGNATION OF PROPERTY DISPOSAL COORDINATORS.....	3-4
VI.	DISPOSAL OF AUTHORITY PERSONAL PROPERTY.....	4-12
VII.	CENTRALIZED DISPOSAL.....	12-13
VIII.	DECENTRALIZED DISPOSAL.....	13-14
IX.	PARTIES PROHIBITED FROM BIDDING.....	14-15
X.	EVALUATION OF PROPOSALS; AWARD OF CONTRACT.....	15-17
XI.	AUTHORIZATION LEVELS AND SIGNING AUTHORITY.....	17-19
XII.	OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY.....	19-21
XIII.	METHODS OF PAYMENT.....	21
XIV.	REPORTING REQUIREMENTS.....	21-22
	ATTACHMENTS A - C	

GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY PERSONAL PROPERTY

I. PURPOSE

These Guidelines for the Disposal of New York Power Authority Personal Property (hereinafter “Guidelines”), which comply with Title 5-A, Article 9 of the Public Authorities Law, establish the Authority’s policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Authority’s compliance with, and enforcement of, the Guidelines.

II. DEFINITIONS

- A. “Contracting Officer” shall mean the officer or employee of the Authority who shall be appointed by resolution of the Authority’s Board of Trustees to be responsible for the disposition of personal property. The “Contracting Officer” is hereby designated to be the Vice President – Procurement, or equivalent(s). The Authority’s Contracting Officer shall not be responsible for compliance for dispositions of the Authority’s personal property conducted by another state entity authorized to dispose of the Authority’s personal property under the Public Authorities Accountability Act (“PAAA”) or as otherwise authorized by law.
- B. “Dispose” or “disposal” shall mean transfer of title or any other beneficial interest in personal property in accordance with these Guidelines.

- C. "Property" shall mean personal property owned by the Authority regardless of value, -and any other interest in such Property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. For the purposes of these Guidelines, Property may include, but is not limited to, materials, tools, equipment, or vehicles.
- D. "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair Market Value may be determined by consulting industry-recognized sources, contacting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.
- E. "Relative" is defined in Subsection X.G.1 of these Guidelines.

III. OBJECTIVE

The objective of these Guidelines is to identify those Authority personnel responsible for authorizing the disposal of Property owned by the Authority and to ensure that the Authority receives fair and reasonable value for such Property. The transfer or sale of Property shall be accounted for in accordance with the Authority's Corporate Accounting Policy No. CAP 4.3 "Accounting for Materials and Supplies

Inventory,” and the Authority’s procedures for the disposal of Property implementing these Guidelines.

IV. **TRANSACTIONS NOT COVERED**

These Guidelines do not apply to any of the following transactions:

1. Disposal of real property interests;
2. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
3. Transfer/re-deployment of Property from one Authority facility to another Authority facility ~~or to Canal Corporation~~;
- ~~3.4.~~ Disposal of natural gas that is subject to the Authority’s Energy Resource Management Fuels Procedures.

V. **DESIGNATION OF PROPERTY DISPOSAL COORDINATORS**

- A. The Contracting Officer shall be responsible for the Authority’s compliance with, and enforcement of, the Guidelines, including through development and implementation of internal controls (such as written procedures and supporting tools).
- B. The individual responsible for disposal of Property greater than \$5,000 at the Authority’s facilities will be the Director – Site Purchasing & Warehouse (“DSP&W”) or equivalent. For purposes of Property disposal, the DSP&W reports directly to the Contracting Officer or authorized designee.
- C. The Manager - Purchasing/Warehouse at each facility acts as the local Property

Disposal Coordinator, who is responsible for Property disposal less than or equal to \$5,000 and assists the DSP&W with all other disposals at his or her facility or location ("Facility PDC"). The Facility PDC reports to the DSP&W.

- D. The Contracting Officer or authorized designee will designate one or more individuals from the White Plains Office Procurement Division, (rebranded Strategic Supply Management, hereinafter "SSM"), to be the Property Disposal Coordinator(s) for the White Plains and other corporate offices ("WPO PDC"). For purposes of Property disposal, the WPO PDC(s) will confer, interface with and report to the Contracting Officer or authorized designee.
- E. The Director of Fleet Operations ("DFO") or equivalent(s) or authorized designee is responsible for the disposal of vehicles and rolling equipment. The DFO reports directly to the Vice President – Enterprise Shared Services or equivalent, or authorized designee.
- F. If appropriate, the responsible Facility PDC should confer (by oral or written communication) with the DSP&W and the WPO PDC(s) should confer (by oral or written communication) with the Contracting Officer or authorized designee to determine if a "centralized" sale of Property, as outlined in Article VII, is appropriate. If agreed, the responsible Facility or WPO PDC (collectively hereinafter referred to as "PDC") should arrange for shipment of the Property to be sold from the site to the sale location. If a centralized sale is not appropriate, the responsible PDC should proceed in accordance with the "decentralized" procedures, as outlined in Article VIII.

VI. DISPOSAL OF AUTHORITY PERSONAL PROPERTY

Except for Disposals pursuant to Article VII, Article XII and Subsection VI.A.4 of these Guidelines, whenever practicable, the responsible PDC shall solicit proposals from qualified bidders, to purchase the Property to be disposed of, and will maintain records of such solicitations. The PDC should use “Attachment A” attached hereto or an appropriate substitute for solicitations under this Article VI.

A. DISPOSAL METHODS FOR PERSONAL PROPERTY

1. For the purposes of these Guidelines, disposal methods may include, but are not limited to: sale (directly to the Buyer, through a third party, negotiation, advertised public auction that permits full and free competition consistent with the value and nature of the property or on any other centralized basis that achieves the same level of competition); return to the original equipment manufacturer or to the source; trade-ins or disposals as part of a competitive procurement; or disposal through the New York State Office of General Services (“OGS”). Provided, however, that no disposition of any Property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar Property, shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction. The Authority's Environment, Health and Safety Division should be consulted, on a

case-by-case basis, regarding disposal of items that may be considered hazardous waste.

2. Solicitation via telephone, e-mail and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by this procedure and by the date and time (the “Bid Due Date”) included in the solicitation.
3. All Disposals of Authority Property in excess of \$15,000 shall be made after publicly advertising for bids except as provided in Subsection 4 below, using the following process:
 - a. the appropriate advertisement for bids (Attachment “B” or an appropriate substitute) shall be made at such time prior to the Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. This may include advertisements in one or more of the following publications, depending on the nature of the Property: local newspapers in the geographic area of the facility where the sale is taking place, trade journals, regional or nationwide publications (if the market for such sale is regional or nationwide), the New York State Contract Reporter, internet services or other communication outlets as appropriate;

- b. all bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by these guidelines and by the Bid Due Date included in the solicitation;
 - c. where the value of the Property exceeds \$5,000, all bid amounts shall be posted to the Authority's internet website or publically disclosed at the time and place of the sale; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.
4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
- a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 3 of this Section, would adversely affect the state or local market for such Property, and the estimated Fair Market Value of such Property and other satisfactory terms of disposal may be obtained by negotiation;

- b. bid prices after advertising therefore are not reasonable, either as to all or part of the Property, or have not been independently arrived at in open competition;
 - c. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Property and other satisfactory terms of Disposal are obtained by negotiation;
 - d. under those circumstances permitted by Subsection 6 of this Section;
 - e. if the estimated or actual fair market value of the property does not exceed \$15,000; or
 - f. such action is otherwise authorized by law.
5. An explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property which has an estimated Fair Market Value in excess of fifteen thousand dollars (\$15,000). In addition, an explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property disposed of by exchange, regardless of value. Each such statement shall be transmitted to the Commissioner of General Services, the State Legislature, the State Comptroller, the Director of the Division of the Budget and the Authorities Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.
6. a. No Property owned or otherwise in the control of the Authority may be disposed or otherwise alienated for less than its Fair Market Value except if:

- (i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any other public entity;
- (ii) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
- (iii) in the event the Authority seeks to transfer Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such

action within sixty days of January first of the following year.

If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and if the transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

b. In the event a below Fair Market Value Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the

kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Property is situated as are required by the transfer;

- (iv) a statement of the value to be received compared to the Fair Market Value;
- (v) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph (iv) of this Subsection, a statement of the value to the private party; and
- (vi) the names of other private parties who have made an offer for such Property, the value offered and the purpose for which the Property was sought to be used.

c. Before approving the Disposal of any Property for less than Fair Market Value, the Board of Trustees shall consider the information described in paragraph b of this Subsection and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

7. In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall

be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

B. DISPOSAL OPTIONS IF NO BIDS OR NO ACCEPTABLE BIDS ARE RECEIVED

The appropriate PDC shall confer with the DSP&W and the Contracting Officer or authorized designee to decide (i) if re-soliciting is feasible; (ii) if shipment to a third-party contractor for Disposal would result in higher-priced proposals; (iii) if disposal by other methods would be appropriate; and/or (iv) if the Fair Market Value estimate requires review or adjustment, where:

1. the solicitation pursuant to Section VI.A does not produce any bids to purchase the Property;
2. in the opinion of the Authority, the bids are not arrived at independently;
3. all bids are not reasonable in accordance with Section X.C; or
4. all bids received are less than the Authority's Fair Market Value estimate.

VII. CENTRALIZED DISPOSAL

A. Subject to the approval of the Contracting Officer or authorized designee and in

accordance with Article VI of these Guidelines, in either the initial document authorizing the disposal or through a subsequent communication, Property may be disposed of using any of the following methods:

1. Shipment of the material to a third-party vendor(s), selected by competitive bidding, which, pursuant to these Guidelines, will market the material for sale or dispose of such material in accordance with environmental and any other Authority requirements.
2. Consolidation of such Property at one of the Authority's facilities or an offsite warehouse for the purpose of conducting a sale managed by Authority staff, possibly with the assistance of an outside contractor.
3. Participation in public auctions provided the advertisement for bids through such methods permits full and free competition consistent with the value and nature of the property, as may be conducted through an independent auctioneer, online auction service, or another utility.

VIII. DECENTRALIZED DISPOSAL

- A. The Regional Manager, Project Manager, or head of a Department or Division requiring disposal of Property which he or she believes to be disposable, will submit to the responsible PDC a written description of the material, with the original price (if known), and estimate of the Property's Fair Market Value (if available). If practical, a photograph of the material or equipment in question should be provided. Such submission shall be made to the responsible PDC for the location where the Property is located.

- B. If the responsible PDC, in conference with either the DSP&W or the Contracting Officer or authorized designee, as appropriate, determines that other Authority facilities may have an interest in the Property, a notice should be sent to the other Authority facilities advising of its availability and requesting a response within a specified time frame. A record of the notice will be maintained by the responsible PDC. In the event that the responsible PDC and either the DSP&W or the Contracting Officer or authorized designee, as appropriate, determine there is no interest in such material at other Authority facilities, a written explanation should be prepared by the PDC to that effect and maintained in the file for that transaction.
- C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Property in accordance with these Guidelines.

IX. PARTIES PROHIBITED FROM BIDDING

- A. All current and former employees of the Authority and relatives of such employees or third parties acting on behalf of such employees shall not be eligible to bid for the purchase of Authority Property and are prohibited from subsequently acquiring it in any manner. Each bidder will be required, as part of his or her bid, to certify, by signing Attachment "A," that he or she is not a current or former employee of the Authority, is not related to any current or former employee of the Authority and is not acting on behalf of a current or former employee of the Authority or a relative of any such employee. No bid will be accepted unless accompanied by such certification.
- B. The term "related to" as used in paragraph A above means the relationship of

spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT

- A. Following the receipt of proposals for the Property, the responsible PDC shall evaluate the proposals submitted and determine whether the highest of such proposals is reasonable, given the estimated Fair Market Value of the Property.
- B. If the responsible PDC determines that the highest bid received is reasonable, the responsible PDC shall recommend to the Responsible Officer(s) or designee, as hereinafter defined in Article XI, that such bid be accepted, and upon the written approval of the Responsible Officer(s) or designee, the sale shall be made to the person offering such proposal. After obtaining all necessary approvals in accordance with Article XI “Authorization Levels,” a Sales Agreement appended hereto (“Attachment C”) must be executed by the responsible Authority staff member and by the successful bidder prior to completion of the transaction. (See Section XI.C.)
- C. If either (a) the responsible PDC determines that the highest bid is not reasonable or (b) the Responsible Officer(s) or designee decline(s) to authorize the sale, the Property will, except as provided in paragraph D below, be retained for future disposal in accordance with these Guidelines. Factors to be considered in determining whether a bid is reasonable include,

but are not limited to: adequacy of the estimate of the Fair Market Value, anticipated improved future market conditions, potential for other means of disposal or redeployment, financial viability of the bidder, and condition of the Property.

- D. Notwithstanding any determination by the responsible PDC, the Responsible Officer(s) or designee, with the review and approval of the Contracting Officer, may direct the sale of the Property to the person or firm submitting the highest bid.
- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any

entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

1. For purposes of this Section G, the term “Relative” shall mean any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant.

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

- A. For the purposes of these Guidelines, the Responsible Officer(s) or designee will in each case review the appropriateness of the Fair Market Value estimate and the recommendation for contract award for disposal of the Property. Responsible Officers or designee are designated as follows:
 1. The Board of Trustees, if the Fair Market Value of the Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6; or
 2. The President or the Chief Operating Officer or equivalent(s), if the Fair Market Value of the Property is up to \$1,000,000; or
 3. The Executive Vice President and Chief Financial Officer or equivalent(s), if the Fair Market Value of the Property is up to

\$750,000; or

4. For Fleet-related transactions, the Senior Vice President – Human Resources and Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$750,000; or
5. The Vice President – Procurement or equivalent(s), if the Fair Market Value of the Property is up to \$500,000; or
6. For Fleet-related transactions, the Vice President – Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000; or
7. The DSP&W, if the Fair Market Value of the Property is up to \$100,000; or
8. For Fleet-related transactions, the Director – Fleet Operations, if the Fair Market Value of the Property is up to \$100,000; or
9. The responsible PDC, if the Fair Market Value of the Property is \$5,000 or less.

B. For public auctions or similar centralized disposals, such authorization should be obtained prior to submitting Property to auction based on the estimated Fair Market Value of the Property.

1. For purposes of these Guidelines, the Director - Fleet Operations (“DFO”) or equivalent(s) and DSP&W are authorized to sign Disposal Sales Agreements based upon the provisions of Section XI.A above whereby the DFO is authorized to sign fleet-related sales agreements and the DSP&W may sign both fleet and non-fleet sales agreements.

- C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures – Attachment C.
- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority's Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

These Guidelines are not intended to restrict disposals as part of a competitive procurement, including trade-ins, where the procurement is competitively bid and awarded in accordance with the Authority's Guidelines for Procurement Contracts and Fair Market Value can be obtained for the Property. Any such proposed disposal must be included as part of the solicitation of bids for the procurement. The solicitation must also include an estimated Fair Market Value of the Property or minimum bid amount. The disposal or trade-in value must be stated in the proposals from bidders. When disposing of Property as part of a competitive procurement, the Authority may consider the cost difference between the accepted

proposal and the next lowest responsive proposal as part of the consideration for the disposal of the Property.

B. **Return to the Original Equipment Manufacturer (“OEM”) or to the Source**

For Property with a Fair Market Value of \$15,000 or less, return of materials to the OEM or the source is permissible provided that the Authority receives full value for any materials equal to the price paid by the Authority or the estimated Fair Market Value of the Property. In the event a re-stocking fee is charged by the OEM or the source, the DSP&W or the Contracting Officer or authorized designee, as appropriate, shall be consulted to determine if such a re-stocking fee is reasonable and if there are other opportunities for sale of such material. Approval of all such returns to the OEM or the source when a re-stocking fee is charged, must be in accordance with the Authorization Levels delineated in Section XI.A.

C. **Disposal through the New York State Office of General Services (OGS)**

The Authority may utilize OGS for Disposal of Authority-owned Property including on-line disposal methods offered by OGS. In addition, in accordance with New York State law, surplus computers and related accessories, surplus office furniture, and other equipment may, with the approval of the Contracting Officer or authorized designee, be transferred to OGS for disposition, in the case of computers and accessories to school districts located near Authority offices or operating facilities, or in the case

of office furniture and office equipment, to other state entities. Disposal of these items in this manner represents the best value to New York State in lieu of attempted re-sale of such materials.

XIII. METHODS OF PAYMENT

The proceeds from the sale of Property in the form of cash or a certified check made payable to the Authority must be forwarded to the Authority's Treasurer by the Facility PDCs and to the Authority's Controller's Office by the DSP&W and WPO PDC(s). In certain cases involving a transfer of Property to other state agencies or authorities, the performance of documented services to the Authority equal to or greater in value to the Fair Market Value of the Property, will serve as payment for such Property. The authorization limits of Article XI shall apply to such transactions.

XIV. REPORTING REQUIREMENTS

- A. The Authority shall publish, not less frequently than annually, a report of all Property having a FMV in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Authority during such period. Such report shall be prepared in conjunction with the report required by the Authority's "Guidelines for the Disposal of New York Power Authority Real Property."
- B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the

Commissioner of General Services, the State Legislature and the Authorities Budget Office.

- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.
- D. For disposal by negotiation of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of personal property and real property.
- F. The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

March 21, 2017

Attachment A
Page 1 of 2

BID SHEET

The following personal property is available for sale "AS IS, WHERE IS" and the Power Authority gives no warranty whatsoever as to its condition.

LUMP SUM BID AMOUNT* \$ _____

Subject to all terms and conditions set forth on the reverse hereof, the undersigned offers and agrees to purchase the above-described personal property at the bid amount indicated.

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

* All sales are subject to New York State Sales Tax and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.

March 21, 2017

Attachment A
Page 2 of 2

PERSONAL PROPERTY SALE
SALE NO. _____
NEW YORK POWER AUTHORITY
(ADDRESS OF PROJECT)
Telephone: () _____
FAX: () _____

Subject to the terms and conditions stated below, bids will be received on the personal property, either by mail, fax or hand delivery at the (Location) no later than (Date) _____.

The personal property is available for inspection, by appointment, at the (Project) _____.
For an appointment, please contact the Property Disposal Coordinator, (Name) _____
at (Telephone no.) _____.

Successful bidders will be required to pay by certified check, on notice from the Authority that the bid has been accepted, and remove the personal property from the Authority's premises within ten (10) calendar days after receipt of notice of award.

Envelopes containing bids submitted by mail should be marked on the outside to indicate that a bid on Sale No. ____ is enclosed.

Current and former employees of the Power Authority or relatives of such employees or third parties acting on behalf of such employees or relatives are ineligible to bid and are prohibited from subsequently acquiring such personal property in any manner.

1. **INSPECTION.** Bidders are invited, urged and cautioned to inspect the personal property being sold prior to submitting a bid. The personal property will be available for inspection at the time and place specified above. In no case will failure to inspect constitute grounds for the withdrawal of a bid after opening.
2. **CONDITION OF PROPERTY.** All personal property listed is offered for sale "AS IS, WHERE IS". The Authority does not in any way warrant the fitness of the personal property for any particular use or its merchantability and disclaims any other representations or warranties, express or implied, including, but not limited to, quality, character, performance or condition of the personal property or any of its component parts, assemblies, or accessories.
3. **CONSIDERATION OF BIDS.** Bids must be submitted in writing on the form provided by the Authority (see reverse side) and shall be submitted on all items listed. The Authority reserves the right to reject any and all bids, to waive technical defects in bids and to award sale of the items as may be in the best interest of the Authority.
4. **PAYMENT.** The Purchaser agrees to pay for the awarded personal property in accordance with the prices quoted in his/her bid. Payment of the full purchase price must be made within the time allowed for removal, and prior to the release of any personal property to the Purchaser.
5. **NEW YORK STATE SALES AND COMPENSATING USE TAX.** All sales will be subject to New York State Sales and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.

March 21, 2017

Attachment B
Page 1 of 1

ADVERTISEMENT FOR PROPOSALS

The following described personal property, shall be sold "AS IS, WHERE IS" by the New York Power Authority ("the Authority").

1. Sealed bids are invited for the above, which will be available for inspection by inquiry at the (Location/Building) at the (Project and Address) between the hours of _____ a.m. to ____ p.m. on (Date/s). Bids must be submitted on the Authority's bid form, which can be obtained by calling (Telephone no.). No bid will be accepted unless it is on such form. Bids shall be accepted on or before ____ p.m. on (Date).
2. Current and former employees of the Authority or relatives of such employees or third parties seeking to act on behalf of such employees or relatives shall be ineligible to bid.
3. Successful bidders, on notice from the Authority, shall be required to pay by certified check and shall promptly remove the personal property from the Authority's property.
4. The Authority reserves the right to reject any and all bids.

March 21, 2017

Attachment C
Page 1 of 2

**PERSONAL PROPERTY
SALES AGREEMENT**

_____, the Buyer, and the Power Authority of the State of New York ("the Authority"), agree as follows:

- 1) The personal property identified herein is sold by the Authority and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) **THE AUTHORITY DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
- 3) The Buyer warrants that he/she/it is not a current or former Authority employee, is not related to an Authority employee and did not bid on behalf of an Authority employee. Buyer is aware that Authority employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. The Authority reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the Authority and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the Authority and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.
- 5) Except for disposals by public auction, the Buyer shall remove the personal property from the Authority's premises by _____ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York Power Authority.

March 21, 2017

Attachment C
Page 2 of 2

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

Power Authority of the State of New York
123 Main Street
White Plains, New York 10601

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF AUTHORITY PROPERTY.

This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the Power Authority of the State of New York in the sale of Authority personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).

Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Authority.

This information will be maintained by Fleet Operations, at the Power Authority of the State of New York, Clark Energy Center located at 6520 Glass Factory Road, Marcy, N.Y. 13403, (315) 724-8186 or, when appropriate, by the Procurement Department at the Corporate office or at one of the Authority facilities.



EXPENDITURE AUTHORIZATION PROCEDURES

1. Purpose

These Expenditure Authorization Procedures (“EAPs”) set forth the policy of the New York Power Authority (“NYPA”) regarding approval authority applicable to requisitions for Procurement and Non-Procurement Contracts and the execution of contract documents. These EAPs govern purchasing activities as defined in NYPA’s Guidelines for Procurement Contracts (“Procurement Guidelines”). Certain contracts such as financial contracts, fuel contracts and contracts concerning the sale of energy have separate and distinct authorization guidelines and are not covered under these EAPs.

2. Definitions

- A. **“Procurement Contracts”** are fully defined in the Procurement Guidelines and include contracts for the acquisition of goods or services necessary to support NYPA’s offices and operations in the actual or estimated amount of five thousand dollars or more.
- B. **“Non-Procurement Contracts”** are fully defined in the Procurement Guidelines and include contracts for energy, capacity, ancillary services, transmission, distribution or related services in support of providing service to NYPA customers, contracts for differences, financial hedge contracts and credit rating services. Additionally, Non-Procurement Contracts include contracts for the direct placement of advertisements, subscriptions, fees or tuition, funding agreements, grants, memberships, etc, as more fully set forth in the Procurement Guidelines.
- C. **“Personal Service Contracts”** are procurement contracts for services of a consulting, professional or technical nature provided by outside consultants/contractors for a fee or other compensation which include, but are not limited to, accounting, architectural, engineering, financial advisory, legal, public relations, planning, management consulting, surveying, training (when specifically developed by a consultant for NYPA) and construction management contracts.
- D. **“Low Bidder”** generally refers to a contract award recommendation or award on the basis of being the lowest priced qualified bidder submitting a proposal that meets the commercial and technical requirements of the bid documents.
- E. **“Best Value”** generally refers to a contract award recommendation or award of a contract for services on the basis of optimum quality, cost and efficiency among commercially and technically qualified responsive and responsible offerors.
- F. **“Single Source”** refers to a procurement in which NYPA, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one offerer over another that can supply the goods or services.
- G. **“Sole Source”** refers to a procurement in which only one offerer is capable of supplying the required goods and services.
- H. **“Non-competitive”** refers to a procurement, as more fully set forth in the Procurement Guidelines, in which a contract award recommendation or award is not made on the basis of being the Low Bidder or Best Value, nor is it awarded on a Single Source or Sole Source basis.

For a more detailed and full listing of definitions, including definitions for non-personal services, construction, equipment and non-procurement contracts, please refer to the Procurement Guidelines.

EXPENDITURE AUTHORIZATION PROCEDURES

**APPROVAL LIMITS APPLICABLE TO REQUISITIONS FOR PROCUREMENT AND NON-PROCUREMENT CONTRACTS
WITH THE EXCEPTION OF PERSONAL SERVICES CONTRACTS**

	<u>AWARD BASIS IS:</u>		<u>AWARD BASIS IS:</u>		<u>CUMULATIVE CHANGE ORDER LIMIT ⁽²⁾</u>	
		<u>LOW BIDDER or BEST VALUE ⁽¹⁾</u>		<u>NON-COMPETITIVE, SOLE or SINGLE SOURCE</u>		
FIRST LINE SUPERVISOR / SITE ENGINEER	TO	\$5,000	TO	\$5,000	TO	\$5,000
SENIOR CONSTRUCTION ENGINEER or SENIOR ON-SITE NYPA EMPLOYEE	TO	\$25,000	TO	\$25,000	TO	\$25,000
FACILITY SUPERINTENDENT, MANAGER or SENIOR MANAGER	TO	\$100,000	TO	\$50,000	TO	\$50,000
PROJECT MANAGER, PROGRAM MANAGER DIRECTOR or SENIOR DIRECTOR	TO	\$500,000	TO	\$250,000	TO	\$125,000
REGIONAL MANAGER	TO	\$1,000,000	TO	\$500,000	TO	\$250,000
VICE PRESIDENT	TO	\$2,000,000	TO	\$750,000	TO	\$500,000
SENIOR VICE PRESIDENT	TO	\$3,000,000	TO	\$1,000,000 ⁽³⁾	TO	\$1,000,000
CHAIR, PRESIDENT or EXECUTIVE VICE PRESIDENT	TO	\$6,000,000	TO	\$6,000,000	TO	\$6,000,000
TRUSTEES ⁽⁴⁾	OVER	\$6,000,000	OVER	\$6,000,000	OVER	\$6,000,000

(1) “Low Bidder or Best Value” approval limits also apply to Individual Purchase Order Releases (PORs) from active Value Contracts, up to the EVP approval level. An EVP can approve PORs up to the full authorization amount of a Value Contract.

(2) Subject to 25% rule - see page 5.

(3) Single and Sole Source Contracts valued or estimated at \$1 million or greater require review for approval by the NYS Comptroller. Change Orders (competitively bid or non-competitively bid) valued or estimated at \$1 million or greater requires NYS Comptroller notification.

(4) Trustees’ approval is also required when:

- A. The term of a Non-Personal Services or Construction contract including any extensions or options, exceeds 1 year.
- B. The initial term of less than 1 year for Non-Personal Services or Construction contracts extends beyond 1 year.
- C. Cumulative Change Orders exceed \$6 million.

EXPENDITURE AUTHORIZATION PROCEDURES

APPROVAL LIMITS APPLICABLE TO REQUISITIONS FOR PERSONAL SERVICES CONTRACTS

**IF LESS THAN 1 YEAR
AND AWARD BASIS IS:**

	<u>LOW BIDDER or BEST VALUE ⁽¹⁾</u>		<u>NON- COMPETITIVE, SOLE or SINGLE SOURCE</u>		<u>CUMULATIVE CHANGE ORDER LIMIT ⁽²⁾</u>	
FACILITY SUPERINTENDENT, MANAGER or SENIOR MANAGER,	TO	\$50,000	TO	\$25,000	TO	\$25,000
PROJECT MGR., PROGRAM MGR., DIRECTOR or SENIOR DIRECTOR	TO	\$100,000	TO	\$50,000	TO	\$50,000
REGIONAL MANAGER	TO	\$200,000	TO	\$100,000	TO	\$50,000
VICE PRESIDENT	TO	\$500,000	TO	\$250,000	TO	\$125,000
SENIOR VICE PRESIDENT	TO	\$1,000,000	TO	\$500,000	TO	\$250,000
CHAIR, PRESIDENT or EXECUTIVE VICE PRESIDENT	TO	\$2,000,000	TO	\$1,000,000	TO	\$500,000
TRUSTEES ⁽³⁾	OVER	\$2,000,000	OVER	\$1,000,000	OVER	\$500,000

⁽¹⁾ “Low Bidder or Best Value” approval limits also apply to Individual Purchase Order Releases (PORs) from active Value Contracts, up to the EVP approval level. An EVP can approve PORs up to the full authorization amount of a Value Contract.

⁽²⁾ Subject to 25% rule - see page 5.

⁽³⁾ Trustees’ approval is also required when:

- A. The term of a Personal Services contract, including any extensions or options, exceeds 1 year.
- B. The initial term of less than 1 year for a Personal Services contract extends beyond 1 year.
- C. Cumulative Change Orders exceed \$500,000.

EXPENDITURE AUTHORIZATION PROCEDURES

LIMITS FOR EXECUTION OF CONTRACT DOCUMENTS

OPERATING FACILITIES:

LIMIT:

FACILITY PURCHASING STAFF or FLEET CLERK	Procurement Contracts	TO	\$5,000
SENIOR SITE BUYER	"	TO	\$25,000
SITE MANAGER	"	TO	\$100,000
REGIONAL MANAGER or DESIGNEE ⁽¹⁾	"	TO	\$500,000

HEADQUARTERS:

STRATEGIC / TRANSACTIONAL BUYER – SSM ⁽²⁾	Procurement Contracts	TO	\$50,000
SENIOR STRATEGIC BUYER – SSM	"	TO	\$250,000
CATEGORY MANAGER – SSM	"	TO	\$500,000
DIRECTOR – SSM	"	TO	\$750,000
SENIOR DIRECTOR – SSM	"	TO	\$1,000,000
VP – ENTERPRISE SHARED SERVICES	Real Estate Transactions	TO	\$3,000,000
SVP – HR & ENTERPRISE SHARED SERVICES	Real Estate/Fleet Transactions	TO	\$5,000,000
VP – SSM	Procurement Contracts	TO	\$20,000,000
CHAIR, PRESIDENT or EVP	Procurement Contracts	OVER	\$20,000,000

⁽¹⁾ Designees may include Facility Manager or Facility Superintendent in the absence of the Regional Manager. All designations must be in writing.

⁽²⁾ Strategic Supply Management (SSM).

"25 % RULE" for CHANGE ORDER APPROVALS AND REBIDDING THRESHOLDS

- 1 . A) For contracts with initially approved amounts of **\$100,000 or less**, rebidding will occur when the total cumulative value of change orders exceeds \$25,000.

B) **If rebidding is not feasible**, any request to increase funding for such contracts must be supported by a memorandum explaining the need for additional funding in excess of the \$25,000 threshold. The memorandum shall be approved at the Vice President (VP) level in the associated department and forwarded to the VP, Strategic Supply Management (SSM) for approval or denial.
- 2 . A) For contracts with initially approved amounts **exceeding \$100,000**, rebidding will occur when the total cumulative value of change orders exceeds 25% of the original amount approved.

B) **If rebidding is not feasible**, any request to increase funding for such contracts must be supported by a memorandum explaining the need for additional funding in excess of the 25% threshold. The memorandum shall be signed by the SVP or EVP for the associated department and forwarded to the VP, SSM for review prior to transmittal to the Chair, President or Executive Vice President for approval or denial. Cumulative change orders exceeding \$500K for personal services contracts or exceeding \$6 million for procurement and non-procurement contracts, require Trustee approval.
- 3 . Rebidding should commence as soon as it is recognized that the contract value will exceed these thresholds, even if the term of the contract is not complete.
- 4 . Once the approval of funding in excess of the 25% threshold is received, any subsequent increase in funding requires an additional memorandum for the approval of the Chair, President or Executive Vice President, until either the Trustees' approval is obtained or the contract is rebid.
- 5 . Typical bases for additional funding in excess of the 25% threshold include an "emergency condition" (as defined in the Authority's Guidelines for Procurement Contracts) which necessitates the additional funding; and a situation where it is impractical to rebid (e.g., a construction project where it would not be reasonable to change contractors or other reasons as provided for in the Procurement Guidelines). Under-estimating the scope of a contract or failure to rebid in a timely fashion are not acceptable reasons for increasing its value by more than 25%.

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT AExhibit 2b-C-1
March 20, 2018**APPROVAL LIMITS - REQUISITIONS FOR COMMITMENTS****NON-PERSONAL SERVICES, CONSTRUCTION, EQUIPMENT PURCHASES AND NON-PROCUREMENT CONTRACTS**

	<u>IF AWARDED TO:</u>		<u>IF AWARDED TO:</u>		<u>CUMULATIVE</u>	
	<u>LOW BIDDER ■</u>		NON-LOW BIDDER, SOLE or SINGLE <u>SOURCE</u>		<u>CHANGE ORDER</u>	
					<u>LIMIT *</u>	
					* subject to 25% rule-see pg. 4	
FIRST LINE SUPERVISOR	TO	\$5,000	TO	\$5,000	TO	\$5,000
RES. CONSTR. MGR., SR. CONSTR. ENG. or SR. ON-SITE NYPA EMPLOYEE	TO	\$25,000	TO	\$25,000	TO	\$25,000
FACILITY MGR. - F&A, FACILITY SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$100,000	TO	\$50,000	TO	\$50,000
PROJECT MGR. or SR. PROJECT MGR.♦	TO	\$250,000	TO	\$100,000	TO	\$100,000
REGIONAL MANAGER, VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$500,000	TO	\$250,000	TO	\$250,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$1,000,000	TO	\$500,000	TO	\$500,000
BUSINESS UNIT HEAD (HQ)	TO	\$1,500,000	TO	\$1,000,000	TO	\$1,000,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	TO	\$3,000,000	TO	\$3,000,000	TO	\$3,000,000
TRUSTEES	OVER	\$3,000,000	OVER	\$3,000,000	OVER	\$3,000,000

Trustees' approval is also required when:

1. The term of a Non-Personal Services or Construction contract exceeds one year, including any extensions or options.
 2. The initial term of less than 1 year for Non-Personal Services or Construction contracts extends beyond 1 year.
 3. Cumulative Change Orders exceed the greater of \$1 million or 25% of the original amount approved (nte \$3 million; see also note, p.4)
 4. Any and all cumulative Change Orders exceed \$3 million.
- ♦ Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers or Sr. Project Managers.
- Individual Purchase Order Releases (PORs) to approved Value Contracts are "absolute" amounts, to be authorized per the approval limits for "award to low bidder."

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT B

APPROVAL LIMITS - REQUISITIONS FOR PERSONAL SERVICES CONTRACTS

(Including Fuels-related Consulting and other Personal Services Contracts)

	<u>IF LESS THAN 1 YEAR AND AWARDED TO:</u>		<u>CUMULATIVE CHANGE ORDER LIMIT *</u>	
	<u>LOW BIDDER ■</u>	<u>NON-LOW BID, SOLE or SINGLE SOURCE</u>	<u>* subject to 25% rule-see pg. 4</u>	
FACILITY MGR. - F&A, FACILITY SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$50,000	TO	\$25,000
REGIONAL MANAGER	TO	\$100,000	TO	\$50,000
PROJECT MGR., SR. PROJ. MGR., ♦ VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$100,000	TO	\$50,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$250,000	TO	\$100,000
BUSINESS UNIT HEAD (HQ)	TO	\$500,000	TO	\$250,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	TO	\$1,000,000	TO	\$500,000
TRUSTEES	OVER	\$1,000,000	OVER	\$500,000

Trustees' approval is also required when:

1. The term of a Personal Services Contract, including any extensions or options exceeds 1 year.
 2. The initial term of less than 1 year for a Contract extends beyond 1 year.
 3. Any and all cumulative Change Orders exceed \$500,000.
- ♦ Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers and Sr. Project Managers.
- Individual Purchase Order Releases (PORs) to approved Value Contracts are "absolute" amounts, to be authorized per the approval limits for "award to low bidder."

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT C

APPROVAL LIMITS FOR SIGNING

(Includes all Purchase Orders / Contracts and Change Orders)

***** FOR STOCK ITEMS ONLY, EXECUTION = FINAL APPROVAL *****

OPERATING PROJECTS:

FACILITY PURCHASING STAFF or FLEET CLERK	Purchases ¹ /Contracts ²	TO	\$5,000
ASST MGR - PURCHASING/WHSE or FLEET BUYER	"	TO	\$25,000
MANAGER - PURCHASING/WAREHOUSE	"	TO	\$100,000
DIRECTOR - SITE PURCH./MAT. MGMT/REAL EST.	"	TO	\$500,000
REGIONAL MANAGER or Designee ³	"	TO	\$500,000

HEADQUARTERS:

PROCUREMENT SPECIALIST/ANALYST or Equiv.	Purchases ¹ /Contracts ²	TO	\$25,000
SR. PROCUREMENT SPECIALIST or Equivalent	"	TO	\$100,000
LEAD PROCUREMENT AGENT or Equivalent	"	TO	\$250,000
DIRECTOR or MANAGER – PROCUREMENT	"	TO	\$500,000
VP – PROCUREMENT or Equivalent or EVP & CFO ⁴	"	TO	\$10,000,000
VP – PROCUREMENT or Equivalent or EVP & CFO ⁴	Real Estate Transactions	TO	\$10,000,000
SVP – ENTERPRISE SHARED SERVICES	Fleet Disposal Transactions	TO	\$10,000,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	Purchases ¹ / Contracts ²	OVER	\$10,000,000

- Notes: 1. The term “Purchases” refers to Commitments for Equipment or Materials only, and includes Change Orders of same dollar value.
2. The term “Contracts” refers to Commitments for Non-Personal Services, Personal Services, Equipment or Construction Work, as well as Non-Procurement Contracts, and includes Change Orders of same dollar value.
3. Designees may include Facility Manager – Finance & Administration or equivalent or Superintendent, in the absence of the Regional Manager. All designations shall be in writing.
4. The Executive Vice President and Chief Financial Officer is also authorized to sign commitments for Purchases / Contracts or Real Estate transactions up to the Vice President - Procurement’s level in the latter’s absence.
5. Value Contracts with an approved “Target Value” greater than \$500,000 shall be signed by the Vice President – Procurement. Individual Purchase Order Releases (PORs) that may subsequently be issued to any such Contract shall be authorized and signed by the respective titles authorized for the “absolute” POR amount.

*** "25 % RULE" for CHANGE ORDER APPROVALS AND REBIDDING THRESHOLDS**

- 1 . A) For contracts with initially approved amounts of **\$100,000 or less**, rebidding will occur when the total cumulative value of Change Orders exceeds \$25,000.

B) **If rebidding is not feasible**, any request to increase funding for such contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the \$25,000 threshold. The memorandum shall be approved by the initiating Business Unit Head and forwarded to the VP Procurement for review and final approval.
- 2 . A) For contracts with initially approved amounts **exceeding \$100,000**, rebidding will occur when the total cumulative value of Change Orders exceeds 25% of the original amount approved, not-to-exceed \$1 million♦, for Non-Personal Services, Equipment, Construction and Non-Procurement Contracts• or exceeds 25%, not-to-exceed \$500,000, for Personal Services Contracts•.

B) **If rebidding is not feasible**, any request to increase funding for such Contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the 25% threshold. The memorandum shall be signed by the initiating Business Unit Head and forwarded to the VP Procurement for review prior to transmittal to the President, Chairman or Chief Operating Officer for final approval.
Also, Change Orders for non-personal services, construction, equipment, or non-procurement contracts with a cumulative value exceeding \$3 million require the Trustees' approval, as well as any cumulative Change Orders for personal services over \$500,000, or when the cumulative Change Order value exceeds the President's, Chairman's or COO's approval limits.
- 3 . Rebidding should commence as soon as it is recognized that the contract value will exceed these thresholds, even if the term of the contract is not complete.
- 4 . Once the approval of funding in excess of the 25% threshold is received, any subsequent increase in funding requires an additional memorandum for the President's, Chairman's or Chief Operating Officer's approval, until either the Trustees' approval is obtained or the contract is rebid.
- 5 . Typical bases for additional funding in excess of the 25% threshold include an "emergency condition" (as defined in the Authority's Guidelines for Procurement Contracts) which necessitates the additional funding; a situation where it is impractical to rebid (e.g., a construction project where it would not be reasonable to change contractors or other reasons as provided for in the Procurement Guidelines).
- 6 . Underestimating the scope of a contract or failure to rebid in a timely fashion are not acceptable reasons for extending a contract or increasing its value by more than 25%.
 - The term "Contracts" as used in above policy refers to any and all Commitments for the purchase of goods or services made by NYPA.
 - ♦ For contracts where the original amount approved is up to \$4 million. For contracts > \$4 M and ≤ \$12 M, the not-to-exceed C/O limit is > \$1 M, up to \$3 M max.

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT AExhibit 2b-C-1
March 20, 2018**APPROVAL LIMITS - REQUISITIONS FOR COMMITMENTS****NON-PERSONAL SERVICES, CONSTRUCTION, EQUIPMENT PURCHASES AND NON-PROCUREMENT CONTRACTS**

	<u>IF AWARDED TO:</u>		<u>IF AWARDED TO:</u>		<u>CUMULATIVE</u>	
	<u>LOW BIDDER ■</u>		NON-LOW BIDDER, SOLE or SINGLE <u>SOURCE</u>		<u>CHANGE ORDER</u>	
					<u>LIMIT *</u>	
					* subject to 25% rule-see pg. 4	
FIRST LINE SUPERVISOR	TO	\$5,000	TO	\$5,000	TO	\$5,000
RES. CONSTR. MGR., SR. CONSTR. ENG. or SR. ON-SITE NYPA EMPLOYEE	TO	\$25,000	TO	\$25,000	TO	\$25,000
FACILITY MGR. - F&A, FACILITY SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$100,000	TO	\$50,000	TO	\$50,000
PROJECT MGR. or SR. PROJECT MGR.♦	TO	\$250,000	TO	\$100,000	TO	\$100,000
REGIONAL MANAGER, VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$500,000	TO	\$250,000	TO	\$250,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$1,000,000	TO	\$500,000	TO	\$500,000
BUSINESS UNIT HEAD (HQ)	TO	\$1,500,000	TO	\$1,000,000	TO	\$1,000,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	TO	\$3,000,000	TO	\$3,000,000	TO	\$3,000,000
TRUSTEES	OVER	\$3,000,000	OVER	\$3,000,000	OVER	\$3,000,000

Trustees' approval is also required when:

1. The term of a Non-Personal Services or Construction contract exceeds one year, including any extensions or options.
2. The initial term of less than 1 year for Non-Personal Services or Construction contracts extends beyond 1 year.
3. Cumulative Change Orders exceed the greater of \$1 million or 25% of the original amount approved (nte \$3 million; see also note, p.4)
4. Any and all cumulative Change Orders exceed \$3 million.
- ♦ Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers or Sr. Project Managers.
- Individual Purchase Order Releases (PORs) to approved Value Contracts are "absolute" amounts, to be authorized per the approval limits for "award to low bidder."

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT B

APPROVAL LIMITS - REQUISITIONS FOR PERSONAL SERVICES CONTRACTS

(Including Fuels-related Consulting and other Personal Services Contracts)

	<u>IF LESS THAN 1 YEAR AND AWARDED TO:</u>		<u>CUMULATIVE CHANGE ORDER LIMIT *</u>	
	<u>LOW BIDDER ■</u>	<u>NON-LOW BID, SOLE or SINGLE SOURCE</u>	<u>* subject to 25% rule-see pg. 4</u>	
FACILITY MGR. - F&A, FACILITY SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$50,000	TO	\$25,000
REGIONAL MANAGER	TO	\$100,000	TO	\$50,000
PROJECT MGR., SR. PROJ. MGR., ♦ VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$100,000	TO	\$50,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$250,000	TO	\$100,000
BUSINESS UNIT HEAD (HQ)	TO	\$500,000	TO	\$250,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	TO	\$1,000,000	TO	\$500,000
TRUSTEES	OVER	\$1,000,000	OVER	\$500,000

Trustees' approval is also required when:

1. The term of a Personal Services Contract, including any extensions or options exceeds 1 year.
 2. The initial term of less than 1 year for a Contract extends beyond 1 year.
 3. Any and all cumulative Change Orders exceed \$500,000.
- ♦ Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers and Sr. Project Managers.
- Individual Purchase Order Releases (PORs) to approved Value Contracts are "absolute" amounts, to be authorized per the approval limits for "award to low bidder."

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT C

APPROVAL LIMITS FOR SIGNING

(Includes all Purchase Orders / Contracts and Change Orders)

***** FOR STOCK ITEMS ONLY, EXECUTION = FINAL APPROVAL *****

OPERATING PROJECTS:

FACILITY PURCHASING STAFF or FLEET CLERK	Purchases ¹ /Contracts ²	TO	\$5,000
ASST MGR - PURCHASING/WHSE or FLEET BUYER	"	TO	\$25,000
MANAGER - PURCHASING/WAREHOUSE	"	TO	\$100,000
DIRECTOR - SITE PURCH./MAT. MGMT/REAL EST.	"	TO	\$500,000
REGIONAL MANAGER or Designee ³	"	TO	\$500,000

HEADQUARTERS:

PROCUREMENT SPECIALIST/ANALYST or Equiv.	Purchases ¹ /Contracts ²	TO	\$25,000
SR. PROCUREMENT SPECIALIST or Equivalent	"	TO	\$100,000
LEAD PROCUREMENT AGENT or Equivalent	"	TO	\$250,000
DIRECTOR or MANAGER – PROCUREMENT	"	TO	\$500,000
VP – PROCUREMENT or Equivalent or EVP & CFO ⁴	"	TO	\$10,000,000
VP – PROCUREMENT or Equivalent or EVP & CFO ⁴	Real Estate Transactions	TO	\$10,000,000
SVP – ENTERPRISE SHARED SERVICES	Fleet Disposal Transactions	TO	\$10,000,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	Purchases ¹ / Contracts ²	OVER	\$10,000,000

- Notes: 1. The term “Purchases” refers to Commitments for Equipment or Materials only, and includes Change Orders of same dollar value.
2. The term “Contracts” refers to Commitments for Non-Personal Services, Personal Services, Equipment or Construction Work, as well as Non-Procurement Contracts, and includes Change Orders of same dollar value.
3. Designees may include Facility Manager – Finance & Administration or equivalent or Superintendent, in the absence of the Regional Manager. All designations shall be in writing.
4. The Executive Vice President and Chief Financial Officer is also authorized to sign commitments for Purchases / Contracts or Real Estate transactions up to the Vice President - Procurement’s level in the latter’s absence.
5. Value Contracts with an approved “Target Value” greater than \$500,000 shall be signed by the Vice President – Procurement. Individual Purchase Order Releases (PORs) that may subsequently be issued to any such Contract shall be authorized and signed by the respective titles authorized for the “absolute” POR amount.

*** "25 % RULE" for CHANGE ORDER APPROVALS AND REBIDDING THRESHOLDS**

- 1 . A) For contracts with initially approved amounts of **\$100,000 or less**, rebidding will occur when the total cumulative value of Change Orders exceeds \$25,000.

B) **If rebidding is not feasible**, any request to increase funding for such contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the \$25,000 threshold. The memorandum shall be approved by the initiating Business Unit Head and forwarded to the VP Procurement for review and final approval.

- 2 . A) For contracts with initially approved amounts **exceeding \$100,000**, rebidding will occur when the total cumulative value of Change Orders exceeds 25% of the original amount approved, not-to-exceed \$1 million♦, for Non-Personal Services, Equipment, Construction and Non-Procurement Contracts• or exceeds 25%, not-to-exceed \$500,000, for Personal Services Contracts•.

B) **If rebidding is not feasible**, any request to increase funding for such Contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the 25% threshold. The memorandum shall be signed by the initiating Business Unit Head and forwarded to the VP Procurement for review prior to transmittal to the President, Chairman or Chief Operating Officer for final approval.
Also, Change Orders for non-personal services, construction, equipment, or non-procurement contracts with a cumulative value exceeding \$3 million require the Trustees' approval, as well as any cumulative Change Orders for personal services over \$500,000, or when the cumulative Change Order value exceeds the President's, Chairman's or COO's approval limits.

- 3 . Rebidding should commence as soon as it is recognized that the contract value will exceed these thresholds, even if the term of the contract is not complete.

- 4 . Once the approval of funding in excess of the 25% threshold is received, any subsequent increase in funding requires an additional memorandum for the President's, Chairman's or Chief Operating Officer's approval, until either the Trustees' approval is obtained or the contract is rebid.

- 5 . Typical bases for additional funding in excess of the 25% threshold include an "emergency condition" (as defined in the Authority's Guidelines for Procurement Contracts) which necessitates the additional funding; a situation where it is impractical to rebid (e.g., a construction project where it would not be reasonable to change contractors or other reasons as provided for in the Procurement Guidelines).

- 6 . Underestimating the scope of a contract or failure to rebid in a timely fashion are not acceptable reasons for extending a contract or increasing its value by more than 25%.

• The term "Contracts" as used in above policy refers to any and all Commitments for the purchase of goods or services made by NYPA.
♦ For contracts where the original amount approved is up to \$4 million. For contracts > \$4 M and ≤ \$12 M, the not-to-exceed C/O limit is > \$1 M, up to \$3 M max.

ACQUISITION AND DISPOSAL OF REAL PROPERTY

January 1– December 31, 2017

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold, so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee-approved Expenditure Authorization Procedures. The reporting period is January 1 – December 31, 2017.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

Greg and Karen Liesten – Acquisition of a permanent easement for an access road in the Town of Palmyra, County of Wayne (Map No. WP-1451, Parcel No. 1451) from Greg and Karen Liesten. The consideration for this transaction was \$550.00. The easement was recorded on January 10, 2017.

Emergency Energy Control Center- New Hartford – During this reporting period, NYPA Real Estate acquired 3.01 acres from New Hartford Office Park, L.L.C. in support of the new Emergency Energy Control Center in the Town of New Hartford, County of Oneida. The consideration for this transaction was \$90,300.00. The warranty deed was executed on February 15, 2017. This was approved by Authority's Board of Trustee's at their September 2016 meeting.

Thomas Maine – Acquisition of a permanent easement for an access road in the Town of Sullivan, County of Madison (Map No. MS-1450, Parcel No. 1450) from Thomas Maine. There was no consideration for this transaction. The permanent easement was recorded on May 25, 2017.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 100 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Moses-Willis, and Gilboa-New Scotland.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

Transfer of Real Property to New York State Office of Parks, Recreation and Historic Preservation - Transferred .43 acres of surplus lands (Map No. 331-C, Parcel No. 3725A) to New York State Office of Parks, Recreation and Historic Preservation in the City of Niagara Falls, Niagara County. This transfer satisfies a Niagara Power Project relicensing commitment and was authorized by the Authority's Board of Trustees at their July 30, 2015 meeting. The transfer of jurisdiction was executed by the New York State Office of General Services on January 31, 2017.

Conveyance of Real Property to New York State Office of Parks, Recreation and Historic Preservation – Conveyed 1.15 acres of surplus lands (Map No. 331-C, Parcel No. 3725B) to New York State Office of Parks, Recreation and Historic Preservation in the City of Niagara Falls, Niagara County. This conveyance satisfies a Niagara Power Project relicensing commitment and was authorized by the Authority's Board of Trustees at their July 30, 2015 meeting. The quit claim deed was filed on June 8, 2017. There was no consideration for this transaction.

Transfer of Real Property to New York State Department of Environmental Conservation – Transferred 56.83 acres (Map No(s). 1121C, 1123C, 1124C, 1135C, 1139C, Parcel No(s). 8680, 8681, 8678, 8679, 8683) to NYS DEC for wildlife management purposes located in the Towns of Lisbon and Waddington, County of St. Lawrence. The transfer of jurisdiction was executed by the New York State Office of General Services on July 12, 2017.

Grant of Easement to the Town of Waddington – Granted a non-exclusive access easement (Map No. 145C Parcel 2879) to the Town of Waddington comprising of 11.36 acres and situated over and across an existing access road utilized by Authority for ingress and egress to its Iroquois Dam, part of the St. Lawrence Power Project. The Town of Waddington requested this easement in order to facilitate development of its adjoining property. The easement was approved by Authority's Board of Trustees at their January 2017 meeting and recorded on November 9, 2017.

III. MISCELLANEOUS TRANSACTIONS

Sprint Spectrum L.P., a Delaware limited partnership - During this reporting period Authority amended a Transmission Structure Antenna Right of Occupancy Agreement which granted Sprint Spectrum, L.P. use of space on Authority transmission towers for communication services. This first amendment extended the term of the original agreement for an additional five (5) years, terminating on September 30, 2021. This was executed on January 30, 2017, and was approved by the Board of Trustees on July 26, 2016.

State University of New York - During this reporting period Authority entered into a Permit with the State University of New York College of Agriculture and Technology at

Cobleskill for the use of University Facilities for the Annual Emergency Action Plan presentation. The fee for this Permit was \$262.50 and was for May 16, 2017.

Astoria Gas Turbine Power LLC – During this reporting period NYPA Real Estate entered into a License Agreement with Astoria Gas Turbine Power LLC to allow Authority access to their property to perform soil borings. This agreement was executed on May 1, 2017.

WeWork Membership Agreement – On October 20, 2017, Authority entered into a 6-month membership agreement with WeWork for office space at 575 Fifth Avenue in New York City. This agreement will expire on May 1, 2018.

IV. LEASING

1) Landlord Leases:

Beacon Associates LLC and Danziger & Markoff LLP – During this reporting period, tenants Danziger & Markoff LLP and Beacon Associates LLC terminated a lease for office space on the 9th floor of Authority's 123 Main Street Building in White Plains, New York. The lease ended on August 27, 2017. The tenants have vacated the building.

Berman, Frucco, Gouz, Mitchel & Schub P.C. – Tenant Berman, Frucco, Gouz, Mitchel & Schub P.C. advised of its intention to terminate its lease of office space on the 17th floor of Authority's 123 Main Street Building in White Plains, New York. The lease will terminate on February 28, 2018.

Canter Law Firm P.C. – During this reporting period, Canter Law Firm P.C. terminated its lease of office space on the 9th floor of Authority's 123 Main Street Building in White Plains, New York. The lease terminated on September 30, 2017.

Dahan & Nowick LLP – During this reporting period, Dahan & Nowick LLP elected to exercise a five year option for the extension of an existing lease for 2,675 square feet of office space on the 9th floor of Authority's 123 Main Street Building in White Plains, New York. The extension term will commence on July 1, 2018 and terminate on May 31, 2023 with a six-month right to terminate. The extension agreement was executed on September 7, 2017.

2) Tenant Leases:

Seneca One Tower, ATC Managed Sites LLC – During this reporting period the Real Estate Department entered into a lease amendment with ATC Managed Sites, LLC for the installment, operation and maintenance of additional communications equipment at the Seneca One Tower in the City of Buffalo, County of Erie. The parties agreed to an increase of \$900.00 per month bringing the rent to \$2729.25 per month; in addition to one five-year renewal term. This amendment was executed on June 8, 2017 and approved by the Board of Trustees on March 21, 2017.

Town of Tonawanda Water Gauge Lease – On June 19, 2017, the Real Estate Department entered into a lease with the Town of Tonawanda for the lease of a portion of the Town's property to serve as the site for a new water gauging station in the County of Erie. The term of this lease is from September 1, 2017 through September 1, 2022, with two successive 5-year options, at a monthly fee of \$400.00. The Board of Trustees approved this transaction on March 21, 2017.

City of North Tonawanda Water Gauge Lease – On August 18, 2017, the Real Estate Department entered into a lease with the City of North Tonawanda for the lease of a portion of the City's property, the site of an existing water gauging station in the County of Niagara. This lease supersedes a previous Right of Entry agreement with the City of North Tonawanda. The term of this lease is for five years, with two successive 5-year options, at a monthly fee of \$400.00. The Board of Trustees approved this lease on July 25, 2017.

One Northern Concourse, LLC – On September 24, 2016, the Power Authority entered into an agreement to lease approximately 2,990 square feet of office space for Canal Corporation staff in the One Northern Concourse building in North Syracuse, New York. Due to reevaluation of Canal staffing needs, a new lease was executed in the name of the Power Authority on December 21, 2017 for 7,890 square feet of office space at a base yearly rent of \$118,350.00. The new lease will commence on April 1, 2018 and is for a term of five years, with one 5-year option to extend. The Board of Trustees approved this lease at their December 2017 meeting.

V. ST. LAWRENCE RELICENSING

1.) St. Lawrence Lands Program:

On October 31, 2001, the Authority filed an application for a new license, pursuant to Sections 4(e) and 15 of the Federal Power Act for the continued operation and maintenance of the 912 megawatt (MW) St. Lawrence/FDR Power Project. On February 6, 2003, the Authority filed a "Comprehensive Accord" (Settlement Agreement). On October 23, 2003, the Federal Energy Regulation Commission (hereinafter "FERC") issued an "Order Approving Settlement Agreements, Dismissing Complaint and Issuing New License" in which FERC *inter alia* approved the Settlement Agreement.

As part of the Settlement Agreement, the Authority agreed to several changes to the Project boundary. These proposed changes removed approximately 1,340 acres from the Project. Approximately 599 acres of the removed lands are intended to be conveyed either to adjoining landowners or to the affected local municipality, if interested. For all conveyed lands, the Authority retains flowage and access easements, to provide necessary rights to traverse conveyed lands for Project-related activities.

DEEDS FILED						
NYPA Surplus Map No.	NYPA Surplus Parcel No.	Current Owner Name	Acreage	Appraisal Value	Filing Date	Town
1179C	8538	M. Shawna Cecot and Catherine M. Cecot	.14	\$1,700.00	1-26-2017	Louisville
1153C	8264	Austin D. Hicks and Whitney L. Hicks	.05	\$50.00	1-26-2017	Waddington
1167C	8188	James J. Farrell and Alane L. Farrell	.15	\$2,550.00	2-17-2017	Waddington
1176C	8483	Daniel J. Miller	.16	\$2,400.00	2-17-2017	Louisville
1149C	8333	Mary Mayette	.78	\$15,600.00	2-17-2017	Waddington
1132C	8581	Richard Scott and Nancy Scott	.04	\$600.00	2-17-2017	Louisville
1174C	8456	Kevin Bessy	.19	\$2,850.00	4-7-2017	Louisville
1178C	8514	Gill A. Viskovich, Ann J. Viskovich, Michael J. Viskovich, and Victoria G. Viskovich	.12	\$1,800.00	5-11-2017	Louisville
1155C	8281	Michael J. Whalen and Candace L. Riggs	.02	\$25.00	6-29-2017	Waddington
1148C	8373	Nancy Chamberlain	.07	\$1,050.00	6-29-2017	Waddington
1176C	8484	Anthony O'Geen and Mary Jo O'Geen	.11	\$1,650.00	7-14-2017	Louisville
1148C	8376	Ed Rider	.23	\$3,450.00	8-2-2017	Waddington
1179C	8527	Lorraine Salamon and Thomas J. Tebo	.12	\$1,800.00	9-7-2017	Louisville

During this period 13 deeds were finalized and recorded in the County Clerk's office. To date, 532 of the 599 acres have been conveyed, comprising approximately 483 of the 520 parcels originally included in this program. In the majority of these cases the landowners or municipalities have indicated that they do not wish to acquire the properties in question.

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

REAL PROPERTY

INDEX

<u>Article</u>	<u>Description</u>	<u>Page</u>
I.	PURPOSE.....	1
II.	DEFINITIONS.....	1
III.	COMPLIANCE OVERVIEW.....	2
IV.	DUTIES OF THE MANAGER CORPORATE REAL ESTATE.....	3
V.	PROCEDURES FOR THE DISPOSITION OF AUTHORITY REAL PROPERTY.....	4
VI.	AUTHORITY REAL PROPERTY REPORTS.....	8
VII.	APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD.....	9

GUIDELINES AND PROCEDURES FOR THE DISPOSAL OF NEW YORK POWER AUTHORITY REAL PROPERTY

I. PURPOSE

The purpose of these Guidelines and Procedures for the Disposal of Real Property (“Guidelines”), which comply with Title 5-A, Article 9 of the Public Authorities Law, is to establish the procedures that detail the Authority’s policy and instructions regarding the disposal of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Authority’s compliance with, and enforcement of, the Guidelines.

II. DEFINITIONS

- 2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be appointed by resolution of the Authority’s Trustees to be responsible for enforcement of the Guidelines for the Disposal of Real Property. The “Contracting Officer” is hereby designated to be the Vice President – Enterprise Shared Services, or equivalent(s) or designee.
- 2.2 “Dispose” or “Disposal” shall mean transfer of title or any other beneficial interest in real property in accordance with these Guidelines. Disposal does not include a release of an easement, Permit or Transfer of Jurisdiction.
- 2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

- 2.4 “Permits” shall mean permits issued by the Authority that grant revocable privileges to use or access real property under the jurisdiction of the Authority. Permits may be issued where the real property is not presently required for Authority purposes, but held for future use in carrying out its corporate purposes. Permits do not transfer a beneficial interest in real property. Permits are revocable, in part to assure availability upon demand of the real property for Authority purposes.
- 2.5 “Real Property” shall mean real property, including land, tenements and hereditaments owned by the Authority, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.
- 2.6 “Relative” shall mean any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant.
- 2.7 “Transfers of Jurisdiction” shall mean transactions pursuant to Public Lands Law §3(4) and which are between the Authority and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Authority and the New York State Office of General Services deem proper, but the title to the Real Property remains in the name of the People of the State of New York.

III. COMPLIANCE OVERVIEW

The Public Authorities Law (“PAL”) requires the Authority to establish policy guidelines to accomplish the following:

- 3.1 Maintain inventory controls and accountability systems for all Real Property under the Authority's control.
- 3.2 Periodically inventory Authority Real Property to determine which Real Property shall be disposed of.
- 3.3 Dispose of Authority Real Property interests in accordance with the PAL.
- 3.4 Prepare annual reports of Real Property Disposal transactions.

IV. DUTIES OF THE MANAGER CORPORATE REAL ESTATE

- 4.1 The Manager Corporate Real Estate or equivalent(s) or designee shall maintain adequate inventory controls and accountability systems for all Real Property under the Authority's control.
- 4.2 The Manager Corporate Real Estate or equivalent(s) or designee shall periodically inventory Authority Real Property to determine which Authority Real Property shall be Disposed of and shall prepare a report identifying such Real Property for Disposal.
- 4.3 The Manager Corporate Real Estate or equivalent(s) or designee shall produce for publishing written reports of such Real Property as set forth in Article VI of these Guidelines.
- 4.4 The Manager Corporate Real Estate or equivalent(s) or designee shall arrange for the Disposal of any Real Property identified for Disposal by the Authority in accordance with these Guidelines and the Authority's Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.

V. **PROCEDURES FOR THE DISPOSITION OF AUTHORITY REAL PROPERTY**

- 5.1 The Authority may Dispose of Real Property for not less than the Fair Market Value of such Real Property by sale, exchange, or transfer, for cash, credit or other property, without warranty, and upon such other terms and conditions as the Contracting Officer deems proper under the provisions of the PAL and as implemented by these Guidelines. Fair Market Value of the Authority Real Property subject to Disposal shall be established by independent appraisal as appropriate and consistent with the intent of the PAL. Such appraisal documents shall be included in the record of the Real Property Disposal transaction.
- 5.2 Except as set forth in Section 5.3 of the Guidelines, any Disposal of Real Property shall only be made after publicly advertising for bids in accordance with the following:
- 5.2.1 the advertisement for bids shall be made at such time prior to the Disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Real Property;
 - 5.2.2 all bids shall be publicly disclosed at the time and place stated in the advertisement; and
 - 5.2.3 the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Authority, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.
- 5.3.a The Disposal of Authority Real Property may be negotiated or made by public auction without regard to Section 5.2 but subject to obtaining such competition as is feasible under the circumstances, if:
- 1. the Fair Market Value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00); or

2. bid prices after advertising therefore are not reasonable, either as to all or some part of the Real Property, or have not been independently arrived at in open competition; or
3. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Real Property and other satisfactory terms of Disposal are obtained by negotiation; or
4. under those circumstances permitted by Section 5.3; or
5. such action is otherwise authorized by law.

5.3.b.1 No Real Property owned, leased or otherwise in the control of the Authority may be sold, leased, or otherwise alienated for less than its Fair Market Value except if:

- a. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Real Property will remain with the government or any other public entity;
- b. the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
- c. in the event the Authority seeks to transfer Real Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate, or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Authority may effectuate such transfer.

5.3.b.2. In the event a below Fair Market Value Real Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:

- a. a full description of the Real Property;
- b. an appraisal of the Fair Market Value of the Real Property and any other information establishing the Fair Market Value sought by the Authority's Board of Trustees;
- c. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Real Property is situated as are required by the transfer;
- d. a statement of the value to be received compared to the Fair Market Value;
- e. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and
- f. the names of other private parties who have made an offer for such Real Property, the value offered, and the purpose for which the Real Property was sought to be used.

5.3.b.3. Before approving the Disposal of any Real Property for less than Fair Market Value, the Authority's Board of Trustees shall consider the information described in Paragraph 5.3.b.2 and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

5.4 An explanatory statement detailing the Disposal by negotiation of Authority Real Property subject to the PAL as set forth in Section 5.3 shall be made for any Disposal of:

- 5.4.1 Real Property with a Fair Market Value in excess of one hundred thousand dollars (\$100,000.00) except that Real Property Disposed of by lease or exchange shall only be subject to 5.4.2 of this Section 5.4;
- 5.4.2 Real Property Disposed of by lease if the fair annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00); and

- 5.4.3 Any Real Property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration is for Real Property:
- 5.5 Each explanatory statement prepared in accordance with Section 5.4 above shall be transmitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office not less than 90 days in advance of such Disposal, and a copy shall be kept by the Authority.
- 5.6 In the Authority's discretion, when it shall be deemed advantageous to the Authority and the State, the Authority may enter into an agreement with the Office of the Commissioner of General Services (“OGS”) under which OGS may Dispose of the Authority’s Real Property under terms and conditions agreed to by the Authority and the OGS. In Disposing of any such Real Property of the Authority, the OGS shall be bound by the relevant provisions of the PAL.
- 5.7 The Manager Corporate Real Estate or equivalent(s) or designee shall provide all relevant documentation to the Environmental Division for the purposes of determining, if applicable, whether the Disposal of Real Property is in compliance with the State Environmental Quality Review Act, and for whether it adheres to the American Society of Testing and Material’s guidelines for Environmental Site Assessments, if applicable.
- 5.8 No Authority employee who is involved in the award of Authority grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or grantee(s) to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party,

elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

5.9 No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.

5.10 No Authority employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

5.11 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.

5.11.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such

contractual expenditure (“Eligible Contract”), must be reported in advance of execution to the OSC. Upon execution, all such Eligible Contracts must be filed with the OSC within 60 days.

5.11.2. If the OSC has previously identified a contract or category of contract as “reviewable” (“Reviewable Contract”), such Reviewable Contract must include language stating that it is subject to OSC approval and the executed Reviewable Contract must be submitted to the OSC for review. If the OSC does not act to disapprove the Reviewable Contract within 90 days, the contract is valid.

VI. AUTHORITY REAL PROPERTY REPORTS

6.1 The Manager Corporate Real Estate or equivalent(s) or designee shall publish the following reports in accordance with these Guidelines:

6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Manager Corporate Real Estate shall furnish a report for incorporation in the Authority’s annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Disposed of during such reporting period and the name of the purchaser of the Real Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Authority’s Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.

6.1.2 Pursuant to Public Authorities Law § 2896(3)(a), the Manager Corporate Real Estate or equivalent(s) or designee shall prepare for distribution to the State Comptroller, the Director of the Division of the

Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office, an annual report listing all real property of the Authority, which report shall include a list and description of all Real Property Disposed of during the fiscal reporting period. Regarding Disposals, this annual report shall include the price received by the Authority and the name of the purchaser of the Real Property.

- 6.2 The Authority may be called upon periodically to submit information regarding the Disposal of Real Property to organizations implementing the PAL or other statutes regulating the Disposal of Real Property.
- 6.3 The Authority's Governance Committee meets at least three times per year and staff from Enterprise Shared Services or the equivalent(s) may prepare and present ongoing reports regarding the Disposal of Real Property.

VII. APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD

- 7.1 The Guidelines shall be annually reviewed and approved by the Authority's Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the most recently reviewed and approved Guidelines, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the State Comptroller, the Authority shall also post such Guidelines on its internet website.

Guidelines and Procedures for the Disposal of Real Property

REDLINE CHANGES

elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

- 5.9 No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.10 No Authority employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
- 5.11 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.

5.11.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such

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contractual expenditure (“eEligible eContract”), must be reported in advance of execution to the OSC. Upon execution, all such eEligible eContracts must be filed with the OSC within 60 days.

5.11.2. If the OSC has previously identified a contract or category of contract as “reviewable” (“rReviewable eContract”), such Reviewable eContract must include language stating that it is subject to OSC approval and the executed Reviewable eContract must be submitted to the OSC for review. If the OSC does not act to disapprove the Reviewable eContract within 90 days, the contract is valid.

VI. AUTHORITY REAL PROPERTY REPORTS

6.1 The Manager Corporate Real Estate or equivalent(s) or designee shall publish the following reports in accordance with these Guidelines:

6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Manager Corporate Real Estate shall furnish a report for incorporation in the Authority’s annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Disposed of during such reporting period and the name of the purchaser of the Real Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Authority’s Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.

GUIDELINES

AND

PROCEDURES

FOR THE

ACQUISITION OF REAL PROPERTY

BY THE NEW YORK POWER AUTHORITY

INDEX

<u>Article</u>	<u>Description</u>	<u>Page</u>
I.	PURPOSE.....	1
II.	DEFINITIONS.....	1-2
III.	COMPLIANCE OVERVIEW.....	2
IV.	DUTIES OF THE MANAGER CORPORATE REAL ESTATE	2-3
V.	ETHICAL CONSIDERATIONS.....	3-4
VI.	ACQUISITION REPORTS BY AUTHORITY.....	4-5

GUIDELINES AND PROCEDURES FOR THE ACQUISITION OF REAL PROPERTY BY THE NEW YORK POWER AUTHORITY

I. PURPOSE

- 1.1 These Guidelines and Procedures for the Acquisition of Real Property (“Guidelines”), which comply with Title 2, Article 9 of the Public Authorities Law, establish the procedures that detail the Authority’s policy and instructions regarding the acquisition of real property. In addition, the Guidelines designate a contracting officer who is responsible for the Authority’s compliance with, and enforcement of, the Guidelines.

II. DEFINITIONS

- 2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be responsible for enforcement of the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Vice President - Enterprise Shared Services, or the equivalent(s), or designee.
- 2.2 “Acquisition” or “Acquire” shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.
- 2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in

the appropriate marketplace and under similar circumstances.

2.4 “Real Property” shall mean real property, including land, tenements and hereditaments owned by the Authority, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

2.5 “Relative” is any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Article 5 of these Guidelines.

III. COMPLIANCE OVERVIEW

3.1 These Guidelines are being adopted consistent with the Public Authorities Law (“PAL”).

3.2. The Authority may Acquire Real Property through purchase, eminent domain, state transfers of jurisdiction, lease and by other legal means.

3.3 The Authority’s New York statutory authority for land acquisition includes, without limitation, the Public Authorities Law, the Real Property Law, the Public Lands Law, the Eminent Domain Procedure Law and the Highway Law, as amended.

IV. DUTIES OF THE MANAGER CORPORATE REAL ESTATE

- 4.1 The Manager Corporate Real Estate or the equivalent(s) or designee will maintain adequate inventory controls and accountability systems for all Real Property under the Authority's control.
- 4.2 Real Property to be Acquired by the Authority will be in support of existing operating and transmission facilities or in support of new initiatives being pursued by the Authority. The Manager Corporate Real Estate or the equivalent(s) or designee will, in consultation with the other appropriate Authority staff (by oral or written communication), determine what Lands are necessary or convenient for Acquisition by the Authority.
- 4.3 The compensation for and the procedure for such Acquisition must be consistent with these Guidelines and the Authority's Real Estate Expenditure Authorization Procedures as amended.
- 4.4 The Manager Corporate Real Estate or the equivalent(s) or designee will arrange for the transfer or Acquisition of any Real Property identified for Acquisition by the Authority in accordance with these Guidelines and the Authority's Real Estate Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.
- 4.5 The Manager Corporate Real Estate or the equivalent(s) or designee will provide all

relevant documentation to the Authority's Environmental Division to determine whether the Acquisition of Real Property is in compliance with the State Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

4.6 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.

4.6.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("Eligible Contract"), must be reported in advance of execution to the OSC. Upon execution, all such Eligible Contracts must be filed with the OSC within 60 days.

4.6.2. If the OSC has previously identified a contract or category of contract as "reviewable" ("Reviewable Contract"), such Reviewable Contract must include language stating that it is subject to OSC approval and the executed Reviewable Contract submitted to the OSC for review. If the OSC does not act to disapprove the contract within 90 days, the contract is valid.

V. ETHICAL CONSIDERATIONS

- 5.1 No Authority employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.2 No Authority employee may take part in any Acquisition decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

VI. ACQUISITION REPORTS BY THE AUTHORITY

- 6.1 The Manager Corporate Real Estate or equivalent(s) or designee shall publish the following reports in accordance with these Guidelines:
- 6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Manager Corporate Real Estate shall furnish a report for incorporation in the Authority's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking

Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Authority for the Real Property, and (b) a description of the total amounts of Real Property purchased without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property purchased exceeds Fair Market Value, a detailed explanation of the justification for making the purchase without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such purchase and determined that it complies with applicable law.

- 6.1.2 The Authority may be called upon periodically to submit information regarding the Acquisition of Real Property to organizations implementing the PAL or other statutes regulating the Acquisition of Real Property, such as the Authority Budget Office through the Public Authorities Reporting System ("PARIS").
- 6.1.3 The Authority's Governance Committee meets at least three times per year and staff from HR and Enterprise Shared Services or the equivalent may, upon request, prepare and present ongoing reports regarding the Acquisition of Real Property.

Guidelines and Procedures for the Acquisition of Real Property

REDLINE CHANGES

relevant documentation to the Authority's Environmental Division to determine whether the Acquisition of Real Property is in compliance with the State Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

4.6 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.

4.6.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("Eligible Contract"), must be reported in advance of execution to the OSC. Upon execution, all such Eligible Contracts must be filed with the OSC within 60 days.

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4.6.2. If the OSC has previously identified a contract or category of contract as "reviewable" ("Reviewable Contract"), such Reviewable Contract must include language stating that it is subject to OSC approval and the executed Reviewable Contract submitted to the OSC for review. If the OSC does not act to disapprove the contract within 90 days, the contract is valid.

V. ETHICAL CONSIDERATIONS

Title: Performance Improvement

Document Type: Employee Policy

Document Number: EP 4.2

Revision Date: 7/11/2017

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

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Performance Improvement

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
7/11/2017	11	<p>Uploaded information to a new format. This policy had ten (10) revisions under the old format.</p> <p>Explained the two formal methods used to support performance improvement: the performance review process and disciplinary action</p> <p>Expanded on the “Purpose and Scope”</p> <p>Detailed employee’s options if they disagree with a performance review or written discipline</p> <p>Explained that for “did not meet expectations” performance review ratings and disciplinary action, supervisors must work with a Human Resources Representative</p> <p>Added section describing that individual outcomes and resolutions are unique</p>	<p>N/A</p> <p>Multiple sections</p> <p>1</p> <p>5.1</p> <p>5.1</p> <p>5.2</p>	Rani Pollack Director, HR & Employee Relations

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This policy addresses supervisors' responsibilities and recommended actions to be taken when Management employees demonstrate job performance deficiencies at any time. There are two formal vehicles for communicating performance and/or conduct deficiencies once coaching and feedback have proven unsuccessful. Based on the merits of the situation, managers should use the performance review process and/or disciplinary action to alert the employee of the need for performance improvement. The goal of both types of communication is to modify the unacceptable behavior and improve performance and/or conduct. The policy is intended to outline the customary course of addressing performance and/or conduct issues; however, the use of such methods are considered on a non-discriminatory case by case basis and are at the supervisor's discretion.

2 APPLICABILITY

This policy applies to all Management employees.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management- non-union employees

Human Resources ("HR") Representatives- Employee Relations, Site HR, HR Business Partners

4 RESPONSIBILITY

- 4.1 Responsibility and oversight of this policy resides with the approver unless otherwise noted herein.
- 4.2 Human Resources ("HR") representatives are available to guide management in effectively communicating and monitoring their employees' performance.
- 4.2 It is a supervisor's responsibility to clarify job performance expectations for his or her direct reports and address any perceived deficiencies. The manner in which this is done and the approach will vary by employee and situation. Below are the actions that may be taken by a supervisor when handling issues related to performance problems.

5 POLICY IMPLEMENTATION

5.1 Initial and Follow-Up Actions

- 5.1.1 When the supervisor identifies performance deficiencies of individuals on his or her staff, the supervisor should promptly address such issues with the employee and not wait for

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the year-end performance review. If necessary, performance and/or conduct concerns can be addressed using various methods including disciplinary action which may consist of a verbal, written, or final warning. However, such warnings need not be consecutive and the approach may vary based on the merits of the situation and management's discretion.

Managers should work with Human Resources Representatives when addressing performance deficiencies and when preparing disciplinary memos or other documentation as needed.

- 5.1.2 Human Resources Representatives are available to discuss the situation with the supervisor, to assist with improving performance deficiencies, and to provide guidance to the supervisor and employee at any point in this process, as appropriate. Collaboration between Employee Relations and supervisors is strongly encouraged if the employee has an overall year-end performance review rating of "Below Expectations," mandatory for "Does Not Meet Expectations," and/or if disciplinary action is being considered or issued to the employee.
- 5.1.3 If the employee has concerns with his or her performance review or written discipline, the employee may communicate:
- with his/her supervisor and/or up through his/her Business Unit's Senior Vice President or Executive Vice President;
 - with Human Resources Representatives, or
 - by writing a rebuttal which will be attached to the original document and maintained in the employee's personnel file

5.2 Individual Outcomes and Resolutions are Unique

The purpose of the performance improvement process is to help employees reach success in their roles. It is important to recognize that each situation is unique. How employees respond to performance feedback and how the supervisor handles the timeframe and outcome are based on the merits of the situation. Supervisors should partner closely with Human Resources when these situations arise.

6 VIOLATIONS

N/A

7 REFERENCES

N/A

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8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	7/11/2017
Executive Owner	Pollack, Rani	7/3/2017
Content Owner	Bodolato, Diana	7/3/2017

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Summary Results of 2017 Confidential Evaluation of NYPA/Canal Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
1. Board members have a shared understanding of the mission and purpose of:				
a. the Authority.	7			
b. Canal Corporation.	6	1		
2. The policies, practices and decisions of the Board are always consistent with the mission and purpose of:				
a. the Authority.	6	1		
b. Canal Corporation.	6	1		
3. Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	7			
4. The Board adopts and reviews annually policies, by-laws, and practices for the effective governance, management and operations of:				
a. the Authority.	7			
b. Canal Corporation.	7			
5. The Board sets clear and measurable performance goals that contribute to accomplishing its mission for the Authority:				
a. the Authority.	6	1		
b. Canal Corporation.	4	3		
6. The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	5	2		
7. Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	7			
8. Board members are knowledgeable about the programs, financial statements, reporting requirements, and other transactions of:				
a. the Authority.	3	4		
b. Canal Corporation.	2	5		
9. The Board meets to review and approve, where required by law, all documents and reports prior to public release and is confident that the information being presented is accurate and complete on behalf of:				
a. the Authority.	6	1		
b. Canal Corporation.	6	1		
10. The Board knows the statutory obligations and compliance status with laws applicable to:				
a. the Authority.	6	1		
b. Canal Corporation.	6	1		
11. Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	7			
12. Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	5	2		
13. Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	6	1		
14. The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	6	1		
15. The Board has identified the areas of most risk and works to implement risk mitigation strategies before problems occur with management of:				
a. the Authority.	7			
b. Canal Corporation	5	2		
16. Board members demonstrate leadership and vision and work respectfully with each other.	6	1		

Date Completed: 3/9/18

NYPA PROCUREMENT CONTRACTS SUMMARY **January - December 2017**

In accordance with the Procurement Guidelines, “procurement contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities (including Canal Corporation), operations and maintenance and capital projects, including but not limited to, goods and commodities, major electrical equipment, construction, maintenance work and other services.

The following summary of all procurement contracts includes specific details for procurements with a value of \$5,000 or greater that were open, completed or awarded in 2017, including contracts that were extended into 2018 or beyond. There were 2,877 such contracts with an estimated value of more than \$8.5 billion, which include Authority and Canal Corporation contracts as well as NYPA Fossil Fuel and Corporate Finance expenditures. Total procurement expenditures in 2017 exceeded \$759 million. This amount includes more than \$142 million for the purchase of fossil fuels and related services.

The following is a breakdown of the total number of active contracts including the Authority, Canal, fuels and corporate finance by contract type:

- 36% Construction services;
- 43% Equipment and Commodities;
- 1% Architectural and Engineering services and Legal services;
- 6% Personal Service contracts such as professional consulting services; and
- 14% Non-Personal Service contracts such as maintenance, technicians, and contingent workforce

Of the total value of contracts reported (\$8.5 billion), including the Authority and Canal Corporation contracts as well as NYPA Fossil Fuels and Corporate Finance contracts, approximately 98% (with a total contract value of approximately \$8.4 billion) were competitively bid. In 2017, approximately 2% of contracts (with a total contract value of \$166 million) were sole/single-source awards, including over \$2.4 million Minority- and Women-owned Business Enterprises (“MWBES”), Service-Disabled Veteran-Owned Businesses (“SDVOBs”) and NYS Small Businesses contract awards. The sole/single-source awards also included, but were not limited to, the purchase of spare parts and services from original equipment manufacturers, procurements from proprietary sources and procurements on an emergency basis.

POWER AUTHORITY OF THE STATE OF NEW YORK
2017 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
REFRIGERANT TANKS AT NIAGARA AND ST LAWRENCE PROJECTS	AIRGAS USA LLC, DBA FOR AIRGAS, INC.	\$ 6,723.88	\$ 6,723.88
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SYSTEMS, INC.	\$ 9,994.00	\$ 9,994.00
CO2 AND HYDROGEN CYLINDERS AT ST LAWRENCE PROJECT	AMERITANX, INC.	\$ 19,000.00	\$ 19,000.00
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SYSTEMS, INC.	\$ 15,757.03	\$ 15,757.03
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SYSTEMS, INC.	\$ 10,156.62	\$ 10,156.62
CO2 CYLINDERS AT NIAGARA PROJECT ⁽¹⁾	AMERITANX, INC.	\$ 19,700.00	\$ 19,700.00
SUBTOTAL:		\$ 81,331.53	\$ 81,331.53

(1) NYPA received payment from Ameritanx, Inc. of \$22,700 as the winning bidder in an auction for CO2 cylinders. NYPA subsequently refunded \$3,000 for missing Kidde valves, resulting in a net price received of \$19,700.

POWER AUTHORITY OF THE STATE OF NEW YORK

2017 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by the Authority
2000 HYSTER FORKLIFT	POWER & CONSTRUCTION GROUP INC	\$ 13,500.00	\$ 100.00	\$ 13,400.00
2004 JLG 450AJ MANLIFT	AMAZING MOTORS	\$ 21,000.00	\$ 100.00	\$ 20,900.00
2004 JLG 600S MANLIFT	NICHOLAS KRYWOSA	\$ 2,000.00	\$ 100.00	\$ 21,900.00
2005 YALE GLP06-TG FORKLIFT	DAN DIMOND EQUIPMENT INC	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2008 CHEVY IMPALA	UPSTATE AUTO SALES INC	\$ 5,500.00	\$ 100.00	\$ 5,400.00
2008 FORD ESCAPE	UPSTATE AUTO SALES INC	\$ 5,100.00	\$ 100.00	\$ 5,000.00
2008 FORD ESCAPE	JULIAN PADUANA	\$ 5,200.00	\$ 100.00	\$ 5,100.00
2008 FORD ESCAPE	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2008 FORD ESCAPE	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2008 FORD ESCAPE	DILCIA BARROS	\$ 5,750.00	\$ 100.00	\$ 5,650.00
2008 FORD F350 PICKUP	UPSTATE AUTO SALES INC	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2008 FORD F550 PICKUP	CNY SEALCOATING & CONCRETE LLC	\$ 3,750.00	\$ 100.00	\$ 13,650.00
2009 CHEVY IMPALA	THOMAS BROWN	\$ 6,250.00	\$ 100.00	\$ 6,150.00
2009 DODGE DURANGO	CHAMPION INTERNATIONAL	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2011 FORD F350 PICKUP	ICAR AUTO SALES LLC	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2011 FORD F350 PICKUP	CHRIS ALBICKER	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2011 FORD FUSION	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2011 FORD FUSION	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2011 TOYOTO HIGHLANDER	L&V DOM & IMPORTED AUTO SALES INC	\$ 2,500.00	\$ 100.00	\$ 12,400.00

* Sale Price less transportation and other costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK

2017 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

FLEET OPERATIONS (CONTINUED)

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by the Authority
2012 FORD FUSION	RWC ENTERPRISES	\$ 6,450.00	\$ 100.00	\$ 6,350.00
2012 FORD FUSION	CJ'S CAR AMERICA	\$ 6,950.00	\$ 100.00	\$ 6,850.00
2005 JD ATV	HYLAN DATACOM & ELECTRICAL LLC	\$ 7,750.00	\$ 100.00	\$ 7,650.00
2013 FORD FUSION	SUSAN M BUTTON	\$ 7,500.00	\$ 100.00	\$ 7,400.00
2012 FORD FUSION	CHICAGO AUTOPLEX INC	\$ 5,750.00	\$ 100.00	\$ 5,650.00
2012 FORD FUSION	CHICAGO AUTOPLEX INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2012 FORD FUSION	CHICAGO AUTOPLEX INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2008 FORD ESCAPE	CONNIE BURNETT	\$ 6,000.00	\$ 100.00	\$ 5,900.00
2009 FORD F250	ICAR AUTO SALES LLC	\$ 10,750.00	\$ 100.00	\$ 10,650.00
2005 INTR 7400	ACE EQUIPMENT NORTH	\$ 13,000.00	\$ 100.00	\$ 12,900.00
2003 WORK VAN	LEHIGH AUTO SALES & SERVICE LLC	\$ 8,000.00	\$ 100.00	\$ 7,900.00
2007 INTR 5600	KT POWER	\$150,000.00	\$ 100.00	\$ 149,900.00
2006 CATE D5GL	VILLAGE TRUCK SALES	\$ 46,000.00	\$ 100.00	\$ 45,900.00
2004 JLG M6400J	INTEGRA SUPPLY	\$ 15,000.00	\$ 100.00	\$ 14,900.00
FLEET SUBTOTAL:		\$ 474,450.00	\$ 3,300.00	\$ 471,150.00
+ SUBTOTAL Page 1:		<u>\$ 81,331.53</u>	--	<u>\$ 81,331.53</u>
GRAND TOTAL:		<u>\$ 555,781.53</u>	\$ 3,300.00	<u>\$ 552,481.53</u>

* Sale Price less transportation and other costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

SUPPLIER DIVERSITY PROGRAM (“SDP”)

January – December 2017

From January to December 2017, the Authority and the Canal Corporation expended \$64.7 million or 18% of its reportable expenditures to New York State-certified Minority- and Women-owned Business Enterprises (“MWBEs”). This includes direct contracts and subcontracts, as well as construction and energy efficiency-related work. Additionally, Treasury transactions with NYS-certified MWBE financial dealers for the calendar year 2017 resulted in \$ 605.1 million or 30.5% in principal sales and purchases for the Authority.

Service-Disabled Veteran-Owned Business (“SDVOB”) utilization for the period January – December 2017 is approximately \$ 2.4 million or 13% of designated spend. Additionally, SDVOB financial dealers transacted over \$549 million or 27.7% in principal sales and purchases during the same period.

The SDP program reached a milestone of \$1 billion in payments to MWBEs in the 3rd reporting quarter. SDP’s and SSM’s dedication and hard work over the years has ensured continuous and increased participation of MWBEs in NYPA procurements.

The Authority remains challenged in meeting the aggressive 30% MWBE goal due to numerous factors; onboarding of the Canal Corporation, the conclusion of multiple energy efficiency contracts and NYPA’s unique position as an energy producing utility. However, NYPA is confident that the newly implemented procurement model, proper procurement goal assessment, enhanced tracking and reporting of MWBEs and SDVOBs along with the revised approaches in determining MWBE goal participation, will collectively provide the Authority continued success in providing opportunities to diverse suppliers.

The SDP team has added a new transitional team member, hired mid-December 2017, to support increased SDP requirements.

The Authority continues to work diligently with Empire State Development (“ESD”) and the Office of General Services to meet their respective legislative requirements. ESD proposals for the reauthorization of Executive Law 15-A are currently underway.

INVENTORY STATISTICS
January - December 2017

Facility	12/31/17	12/31/16	12/31/15
Niagara	18,549,218	17,980,724	18,453,109
St. Lawrence	15,629,282 ^(A)	14,353,129 ^(B)	12,902,035
Poletti Project	11,852,496 ^(C)	9,152,218	8,484,836
Flynn Project	8,014,664	7,090,659	7,186,940
Blenheim-Gilboa	9,195,166	8,857,407	8,929,006
500 MW Project	27,200,311 ^(D)	25,996,369	25,333,037
Clark Energy Center	6,517,035	6,420,115	5,765,384
Canal Corporation	740,687	N/A	N/A
Total Stock Value	\$ 97,698,859	\$ 89,850,621	\$ 87,054,347

(A) 2017 Includes \$1.1 million for STL net purchases of:
765KV Disconnect Switches & Structure Supports \$1,131K

(B) 2017 Includes \$1.4 million for STL net purchases of:
Headgate Motor Control Panels \$800K
765KV Disconnect Switches & Lattice Structure Supports \$178K
Potent Transformers \$213K
Lubron Bushings \$200K

(C) 2017 Includes \$2.7 million for POL net purchase of:
Okonite HPFF Cable for Y49/LISC application

(E) 2017 Includes \$812K for 500MW net purchases of:
Bull Gears \$194K
Mechanical Seals \$180K
Volutes & Gas Seal \$161K
Worm Gear \$ 92K
Diaphragms 1st & 2nd Stage, & parts \$ 96K
Condensate Pump Motor \$ 62K
Air Purge Valve \$ 27K

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2017**

**Exhibit 3a-E
March 20, 2018**

REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T P E	M O A	R N A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2017	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1		N	N	1	\$15,340,263	\$15,340,263	\$569,970	\$0	4/1/1994		3/31/2019	
FD-1990-34	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1		N	N	1	\$4,648,915	\$4,648,915	\$141,083	\$0	10/1/1993		3/31/2019	
FD-2007-10	Eastern Generation, LLC 18-01 20th Avenue Astoria NY 11105	Oil Delivery Labor Fees	E	1		N	N	1	\$60,771	\$60,771	\$0	\$0	7/1/2006		*	
FD-2008-09	Con Edison 4 Irving Place New York NY 10003	LDC Agreement	E	1		N	N	1	\$26,155,765	\$26,155,765	-\$120,889	\$0	8/1/2008		6/30/2019	
FD-2009-07	Conoco Phillips Company 600 North Dairy Ashford Houston TX 77079	NAESB Agreement for Natural Gas	E	1		F	N	32	\$43,735,289	\$43,735,289	\$5,559,310	\$0	5/1/2009		*	
FD-2016-02	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AELI Demand Charges	E	1		N	N	1	\$10,831	\$10,831	\$6,241	\$0	5/1/2016	O	4/30/2019	
FD-2016-05	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1		F	N	1	\$1,173,626	\$1,173,626	\$1,173,626	\$0	4/1/2017	O	3/31/2018	
FD-2016-07	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1		N	N	1	\$967,531	\$967,531	\$967,531	\$0	4/1/2017	O	3/31/2018	
FD-2017-01	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement	E	1		N	N	1	\$1,763,231	\$1,763,231	\$1,763,231	\$0	6/1/2017	O	5/31/2018	
FD-2017-02	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1		N	N	1	\$757,436	\$757,436	\$757,436	\$0	6/1/2017	O	5/31/2018	
FD-2006-09	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1		F	N	1	\$16,642,323	\$16,642,323	\$384,809	\$0	8/4/2006	C		3/31/2017
FD-2015-04	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1		N	N	1	\$3,471,497	\$3,471,497	\$236,106	\$0	1/1/2015	C		3/31/2017
FD-2014-14	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement	E	1		N	N	1	\$5,386,764	\$5,386,764	\$926,994	\$0	5/30/2014	C		5/31/2017
FD-2014-15	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1		N	N	1	\$1,200,619	\$1,200,619	\$72,463	\$0	5/30/2014	C		5/31/2017

FUELS TOTALS

\$3,353,675,670

\$3,353,675,670

\$142,306,556

* Contract continues until terminated by NYPA or counterparty upon specified notice

POWER AUTHORITY OF THE STATE OF NEW YORK
2017 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2017	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N			515,231	515,231	13,157	-	2/24/1998	O	*	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N			229,607	229,607	18,806	-	10/2/2006	O	*	
Barclays Capital (assigned from Lehman Bros.) ** 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-1	S	C	9	N			1,892,269	1,892,269	109,522	-	7/14/1994	O	*	
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	C	9	N			10,775	10,775	-	-	6/26/2008	O	*	
Citigroup 390 Greenwich Street New York, NY 10013	Re-marketing Agent CP-2	S	C	9	N			1,095,312	1,095,312	70,252	-	12/4/1997	O	*	
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing Agent CP-2 and 3	S	C	9	N			1,107,844	1,107,844	38,100	-	12/4/1997	O	*	

POWER AUTHORITY OF THE STATE OF NEW YORK
2017 ANNUAL REPORT OF PROCUREMENT CONTRACTS
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CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O P A	M B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2017	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing EMCP	S	C	9	N		941,514	941,514	5,601	-	3/4/2003	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N		327,403	327,403	43,488	-	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N		641,606	641,606	10,982	-	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N		558,845	558,845	3,000	-	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2015	S	C	9	N	2	8,139,333	6,175,464	1,274,333	1,963,869	1/15/2015	O	1/19/2018	

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
2017 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

Exhibit 3a--F
March 20, 2018

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2017	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Morgan Stanley 1221 Avenue of the Americas New York, NY 10020	Re-marketing Agent CP-1	S	C	8	N		7	450,543	450,543	31,780	-	3/31/2009	O	*	
RBC Capital Markets ** 1211 Avenue of the Americas New York, NY 10036	Re-marketing Agent CP-1	S	C	9	N			728,305	728,305	51,688	-	7/14/1994	O	*	
CORPORATE FINANCE TOTALS								16,638,587	14,674,718	1,670,710	1,963,869				

NOTES:

* Contract continues until terminated by NYPA or Counterparty upon specified notice

** Expense History only available from 1997

TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL CORPORATION

January – December 2017

Annual 2017 Report of Transfer of Interest in Personal Property to Canal Corporation

Effective January 1, 2017, management and administration of the New York State Canal Corporation is an additional corporate purpose of the Authority. New York Public Authorities Law § 1005-b (2) authorizes the Authority to “transfer to the Canal Corporation any moneys, real, personal, or mixed property or any personnel in order to carry out the purposes of this section...” to the extent that the Authority’s Trustees deem it feasible and advisable. Under Public Authorities Law Title 5-A Disposition of Property by Public Authorities, the Trustees annually designate a Contracting Officer as part of their approval of the Guidelines for the Disposal of New York Power Authority Personal Property.

The Trustees’ authorized, on January 31, 2017, the Authority’s personal property Contracting Officer to transfer any interest in Authority personal property to the Canal Corporation, as the Contracting Officer deems prudent after balancing the respective needs of the Authority and the Canal Corporation, will facilitate the Canal Corporation’s obligations to operate, maintain, construct, reconstruct, improve and develop the canal system. The Contracting Officer will authorize the transfer of Authority personal property or any interest therein only at the request of Canal Corporation. The Contracting Officer will authorize the transfer to Canal Corporation any interest in Authority personal property, valued at up to \$500,000 per transaction, in parity with the authorization level and signing authority set forth in the Guidelines for the Disposal of New York Power Authority Personal Property. Additionally, the Contracting Officer will report to the Trustees or committee thereof regarding such property transfers. To that end, the 2017 YTD Report Transfer of Interest in Personal Property to Canal Corporation less than \$500,000 in value is attached.

FLEET – Annual 2017 Activity Summary

In response to a Canal Corporation request for certain Fleet assets, and subsequent to the demonstrating a need for these assets, the Contracting Officer approved the transfer of fifteen (15) Fleet vehicles, valued at \$257,900, as described in the attached report in furtherance of Canal Corporation’s operation, maintenance, construction, reconstruction, improvement and development of the canal system.

FLEET – Annual 2017 Activity Summary

In summary, the January through December 2017 Fleet Total “Value of Interest in Property Transferred to Canal Corporation”, for Fleet transactions less than \$500,000 authorized by the Contracting Officer was \$257,900.

OTHER PERSONAL PROPERTY– Annual 2017 Activity Summary

During the reporting period, there were no other personal property transfers to Canal Corporation.

OTHER PERSONAL PROPERTY– Annual 2017 Activity Summary

The January through December 2017 Total “Value Transferred to Canal Corporation” for personal property transactions less than or equal to \$500,000 authorized by the Contracting Officer was \$0.

Grand Total as of 12/31/17

As summarized on the attached Report, the January through December 2017 Grand Total “Value of Interest in Personal Property Transferred to Canal Corporation” for all Personal Property less than or equal to \$500,000 authorized by the Contracting Officer was \$257,900.

POWER AUTHORITY OF THE STATE OF NEW YORK

**JANUARY – DECEMBER 2017 ANNUAL REPORT OF TRANSFER OF INTEREST IN PERSONAL
PROPERTY TO CANAL CORPORATION LESS THAN OR EQUAL TO \$500,000**

FLEET OPERATIONS

<u>DESCRIPTION</u>	<u>VIN</u>	<u>UNIT #</u>	<u>TRANSFER DATE</u>	<u>Transfer Value Recorded by the Authority</u>
2008 INT'L 5600i DMP TRUCK	1HTXGSBT08J688037	T620	3/24/17	\$ 60,000
2012 FORD ESCAPE	1FMCU9DG9CKA15338	12S23	5/09/17	\$ 7,425
2016 TRAILKING TK40LP	1TKC03322GR051624	16R98	5/09/17	\$ 13,000
2010 CHEVY IMPALA	2G1WA5EK9A1236031	10A34	5/19/17	\$ 4,825
2011 FORD FUSION	3FAHP0HG7BR322496	11A204	5/19/17	\$ 5,275
2012 FORD FUSION	3FADP0L33CR340806	12H48	5/19/17	\$ 7,550
2011 FORD FUSION	3FAHP0HG0BR322503	11A25	5/31/17	\$ 5,275
2011 FORD FUSION	3FAHP0HG7BR322501	11A7	5/31/17	\$ 5,275
2011 FORD FUSION	3FAHP0HG9BR322502	11A8	5/31/17	\$ 5,275
2008 CHEVY IMPALA	2G1WB58K881319808	08A20	5/31/17	\$ 5,000
2008 CHEVY IMPALA	2G1WB58K481319496	08A243	5/31/17	\$ 5,000
2008 CHEVY IMPALA	2G1WB58K881318383	08A263	5/31/17	\$ 5,000
2010 LTL GIANT 6430 CRANE	641002	10N9	6/27/17	\$ 100,000
2010 CHEVY IMPALA	2G1WA5EKXA1235616	10A23	7/26/17	\$ 5,000
2003 FORD F550	1FDAF57P03ED85291	MT33	8/25/17	\$ 24,000

SUBTOTAL:

\$ 257,900

**JANUARY – DECEMBER 2017 ANNUAL REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO
CANAL CORPORATION LESS THAN OR EQUAL TO \$500,000**

DESCRIPTION	Transfer Value Recorded by the Authority
	\$ 0
SUBTOTAL:	\$ 0
+ SUBTOTAL Page 1:	<u>\$ 257,900</u>
GRAND TOTAL:	<u>\$ 257,900</u>