



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

March 26, 2019

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Minutes of the regular meeting of the New York Power Authority and Canal Corporation's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 9:54 a.m.

The following Members of the Governance Committee were present:

Anne Kress, Chair
John Koelmel
Eugene L. Nicandri
Dennis Trainor
Michael Balboni

Also in attendance were:

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Kristine Pizzo	Executive Vice President and Chief Human Resources and Administrative Officer
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	Associate Corporate Secretary

Chair Kress presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chair Kress welcomed committee members and Authority senior staff to the meeting. She said that 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 Member Eugene Nicandri and seconded by Member John Koelmel, the Agenda, as amended, was adopted.

2. CONSENT AGENDA:

On motion made by Member Dennis Trainor and seconded by Member Michael Balboni, the Consent Agenda and Reports provided by staff to members of the of the Governance Committee were approved.

a. **Approval of the Minutes of the Joint Meeting of the
New York Power Authority and Canal Corporation
Governance Committee held on October 2, 2018**

Upon motion made and seconded the Minutes of the meeting held on October 2, 2018
was adopted.

**b. Approval of the Minutes of the Special Joint Meeting of
the New York Power Authority and Canal Corporation
Governance Committee held on January 30, 2019**

Upon motion made and seconded the Minutes of the special meeting held on January 30, 2019 was adopted.

c. Procurement and Related Reports

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

“SUMMARY

This report is to advise the Governance Committee of certain 2018 activities of the Strategic Supply Management Department for NYPA and the Canal Corporation, where appropriate and applicable, including procurement contract activity, Disposal of Personal Property, Supplier Diversity Program activities and plant inventory statistics. The report also includes 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 – 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 Committee 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 NYPA Exhibits '2c i-A' through '2c i-G,' and Canal Corporation Exhibit '2c ii-A' and '2c ii-B,' the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater that were active in 2018, 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 2018. 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. The Transfer of Interest in Personal Property to Canal Corporation lists an asset transfer activity between NYPA and the Canal Corporation conducted during 2018.

FISCAL INFORMATION

There will be no financial impact on the Authority or the Canal Corporation.

RECOMMENDATION

The Governance Committee is requested to review and approve the Procurement, Fossil Fuels and Corporate Finance Reports (attached hereto as NYPA Exhibits '2c i-A' through '2c i-G,' and Canal Corporation Exhibits '2c ii-A' and '2c ii-B') and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 26, 2019.”

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

The Vice President of Strategic Supply Management submitted 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 NYPA and Canal Corporation Expenditure Authorization Procedures ('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 – 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 Committee review.

For NYPA and the Canal Corporation, please note the following changes to the Guidelines for Procurement Contracts as fully detailed in Exhibits '2d i-A' for NYPA and Exhibit '2d ii-A' for Canal Corporation:

1. The correction of certain inconsistencies, grammatical and otherwise.
2. The update of certain definitions, including 'Non-procurement Contracts' to address matters such as the sale or purchase of renewable energy credits and to specify certain healthcare and benefit contracts are treated as non-procurement contracts.
3. Clarification of certain solicitation requirements, specifically removing dated information on bid notifications and removing dated requirements for the NYS Contract Reporter information submissions.
4. Further clarification to ensure there is clear guidance concerning Service-Disabled Veteran-Owned Business discretionary spend.
5. Updating NYPA and Canal Corporation guidance to provide and clarify that they may award based upon a 'Best-Value' basis; removing 'transitioning to...'

For the NYPA and the Canal Corporation Guidelines for the Disposal of Personal Property, the definition of a 'Relative' was updated and Exhibits '2d i-B' and '2d ii-B' have been provided for review for approval.

In accordance with Section 5 of the Authority and the Canal Corporation By-Laws, respectively, the Board '...shall adopt expenditure authorization procedures which shall govern the annual budget, capital expenditure plan, contract executions and all approval authorizations.'

For NYPA and Canal Corporation EAPs, there have been changes in the organizational structure, and good governance dictates that these revised EAPs for NYPA (attached as Exhibit '2d i-C') and Canal Corporation (attached as Exhibit '2d ii-C') be presented for Board of Trustees and Board of Directors approval, respectively. The proposed revisions include edits from multiple internal stakeholders made through a collaborative effort to update and simplify the EAP standards.

Specific changes for NYPA include an update of the definitions to better match the Guidelines for Procurement Contracts, footnote updates for clarification, the addition of Customer Installation Commitments / Customer Project Commitments authorization limits and clarifications on Change Order approvals and Rebidding thresholds.

Specific changes for Canal Corporation include the addition of sections indicating Purpose and Definitions which will align with the Guidelines for Procurement Contracts, footnote updates for clarification, the update of organizational titles, addition of Shared Service equivalent notations for circumstances which may require NYPA employee approvals and clarifications on Change Order approvals and Rebidding thresholds.

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 respective Authority and Canal Corporation 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 and Canal Corporation EAPs be reviewed by the Trustees and the Canal Corporation Board, respectively, for approval. These Guidelines and EAPs have been amended as deemed advisable and necessary.

FISCAL INFORMATION

There will be no financial impact on the Authority or the Canal Corporation.

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 '2d i-A' through '2d i-C' for NYPA and Exhibits '2d ii-A' through '2d ii-C' for Canal Corporation) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 26, 2019."

e. 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 2018 activities of the Authority and the Canal Corporation 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 Acquisition and Disposal of Real Property by the Authority and the Canal Corporation.

BACKGROUND AND DISCUSSION

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Governance Committee reviews the Guidelines and Procedures for the Acquisition and Disposal of Real Property by the Authority and the Canal Corporation 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 20, 2018. There are no material changes to the 2019 Guidelines. The Governance Committee is requested to review the respective Guidelines (as set forth in the Exhibits attached hereto as '2e i-B,' '2e i-C,' '2e ii-B,' '2e ii-C') and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 26, 2019.

2e i-A Report of Acquisition and Disposal of Authority Real Property 2018

2e i-B Guidelines and Procedures for the Disposal of Authority Real Property 2019

2e i-C Guidelines and Procedures for the Acquisition of Authority Real Property 2019

2e ii-A Report of Acquisition and Disposal of Canal Corporation Real Property 2018

2e ii-B Guidelines and Procedures for the Disposal of Canal Corporation Real Property 2019

2e ii-C Guidelines and Procedures for the Acquisition of Canal Corporation Real Property 2019

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

RECOMMENDATION

It is recommended that the Governance Committee review and recommend Guidelines listed above to the full Board for adoption."

**f. New York Power Authority and Canal Corporation
Annual Review and Approval of Certain Authority Policies**

The Executive Vice President and Chief Human Resources and Administrative Officer submitted the following report:

"SUMMARY

The Trustees are requested to approve certain Authority policies as required by Section 2824 of the Public Authorities Law and Section 2 of Article II of the Authority's By-laws.

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 its personnel.

2f i-A. Salary Administration (EP 2.1); last revised 02/08/2019

2f i-B. Management Non-Exempt and Facility-Based Exempt Overtime (EP 2.4); last revised 01/22/2019

2f i-C. Management Exempt Emergency Crisis Response Compensation (EP 2.5); last revised 01/22/2019

2f i-D. Management Employee Categories and Eligibility for Benefits (EP 3.1); last revised 02/08/2019

2f i-E. Vacation (EP 3.2) last revised 12/18/2018

2f i-F. Employee Assistance Program (EP 3.5); last revised 01/02/2019

2f i-G. Management Vacation Donation Program (EP 3.11); last revised 12/12/2018

The Canal Corporation policies and documentation relating to salary, compensation, benefits and time and attendance of its Management Confidential employees are attached as Exhibits '2f ii-A' and '2f ii-B,' respectively, entitled:

2f ii-A. Management/Confidential Navigation Season Stipend

2f ii-B. Management/Confidential Employee Handbook (CCP-2018-004)

RECOMMENDATION

It is recommended that the Governance Committee review and recommend the policies listed above to the full Board for adoption."

g. 2018 New York Power Authority and Canal Corporation Annual Board of Director's 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 and the Canal Corporation's Board of Directors approve the annual Board of Directors evaluation summary for 2018 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 and the Canal Corporation's Board of Directors approve the annual Board of Directors evaluation summary for 2018 (Exhibit '2g-A') 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."

**h. New York Power Authority and Canal Corporation
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:

NYPA ETHICS

"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 January 30, 2019 to March 26, 2019.

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 include various requests to engage in outside activities and employment, conflicts of interest reviews and gifts disclosures.

DISCUSSION

The E&C Office worked with the Fleet Department in a Global Positioning System ('GPS') review of the use of NYPA vehicles by two management employees at the Clark Energy Center ('CEC'). The affected department had an assigned vehicle for use on the premises and for its employees' NYPA business travel. During the pendency of an Internal Audit of the Fleet Department, certain CEC employees raised concerns to the Fleet Director that these employees may be using the vehicles for personal errands and to drive to off-site meals during their work hours. A review of the GPS data for vehicles used by both individuals showed a pattern of abuse and substantiated the concerns of misuse of NYPA assets. Both individuals were placed on administrative leave during the pendency of these reviews and were subsequently terminated. The E&C Office recommends that the Fleet Department increase employee awareness about appropriate use of company vehicles and provide additional process controls to mitigate this risk.

The E&C Office provided guidelines for NYPA employees to act as mentors for the Women in Communications and Energy ('WICE') external professional organization. This organization provides a forum for women in these fields to network and participate in professional development opportunities for its membership. NYPA actively supports its employees' participation in WICE and believes that the mentoring program provides valuable opportunities to both mentors and mentees. Specific guidance was offered regarding the restrictions against sharing non-public, confidential information, use of NYPA assets and a prohibition on offering any assistance to individuals who may wish to apply for open NYPA positions. The inaugural mentoring program lasts from January through June 2019.

Financial Disclosure

Mandatory Financial Disclosure ('FDS') profile updates were submitted to the New York State Joint Commission on Public Ethics ('JCOPE') prior to the February 28 deadline. This project included review of all participants in the FDS titles, home and email addresses, phone numbers and filer designations for NYPA, the Economic Development Power Allocation Board,

the Northern New York Power Proceeds Allocation Board, the Western New York Power Proceeds Allocation Board, as well as the Canal Corporation and the Canal Recreationway Commission. At the time of this writing, NYPA has 606 required filers and 327 employees holding either title or individual exemptions from filing. All members of external boards are designated as policy makers.

As previously reported, the E&C Office is coordinating NYPA's review of all positions currently holding title exemptions to ensure that updated job descriptions are in place and continue to satisfy the criteria for holding exemptions as determined by JCOPE.

Training and Outreach

The E&C Office conducts monthly JCOPE Comprehensive Ethics Training Course ('CETC') sessions to new hires and employees who transfer into positions requiring financial disclosure. Nine sessions have been scheduled through 2019. The Office has delivered customized training to various departments on key components of the Public Officers Law and NYPA Code of Conduct, as well as Project Sunlight protocols.

Compliance Reporting

In accordance with Public Authorities Law §2800(1) (a) (5-a), NYPA is required to include in its annual report filed with various State officials and agencies non-confidential and non-personal biographical information on its directors (Trustees), officers and employees who hold a decision-making or managerial position and whose salary exceeds \$100,000 in annual compensation. Requests for employees to review and update this information have been issued with a response date of March 1, 2019."

NYPA RELIABILITY STANDARDS COMPLIANCE ('RSC')

"SUMMARY

This report highlights important aspects of NYPA's North American Electric Reliability Corporation ('NERC') Reliability Standards compliance management program for the period October 2, 2018 to March 26, 2019. 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 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

NERC Reliability Standards Compliance Enforcement Actions

During the reporting period, there were no new potential noncompliance concerns of the NERC Reliability Standards reported to the Northeast Power Coordinating Council ('NPCC').

Investigations of Potential Noncompliance

During the reporting period, RSC reviewed two (2) investigations of potential noncompliance of the NERC Reliability Standards. Both investigations resulted in a determination of no potential noncompliance.

This internal process includes collaboration with the Law Department and Ethics and Compliance Office and 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, there were no NERC alerts sent to the industry.

Risk-Based Evidence Management Program

RSC 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 2019, RSC will review and update the evidence for nineteen (19) NERC Reliability Standards that are applicable to NYPA's NERC registrations. To date, RSC has reviewed and updated the evidence for three (3) NERC Reliability Standards.

Self-Certification of Compliance

NYPA as a NPCC Full Member Functional Entity, on February 20, 2019, submitted a Self-Certification of Compliance with the NPCC Regional Reliability Reference Directory #11, Disturbance Monitoring Equipment Criteria. RSC 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 that 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.

As part of NERC's directive to NPCC in determining a Transmission Operator ('TOP') for the Moses-Alcoa 115 kV transmission lines, NPCC made a preliminary determination and is developing an implementation plan with Alcoa regarding its registration as TOP. NYPA is coordinating a formal agreement with Alcoa and the New York Independent System Operator ('NYISO') to ensure that its 'Transmission Operator' registration exposure is mitigated.

RSC is working with NYPA's Business Development team to determine compliance scope for the new Transmission 'AC proceedings' and 'Battery Storage' projects. 'AC Proceedings' project has the potential to expand NYPA's NERC registered functions to include Transmission Operator ('TOP'). Discussions took place with NYISO in January and NYISO verbally agreed to assume TOP responsibilities for the proposed Segment A of the AC transmission project. The TOP and Transmission Planning obligation will be formally documented (as part of existing Memoranda of Understandings ('MOU') between NYPA and NYISO) as the project progresses.

RSC is collaborating with the Operations Portfolio Management group to better integrate compliance activities associated with new projects into its Utility Operations Project Portfolio ('UOPP') process. This includes finalization of the site turnover checklist.

Critical Infrastructure Protection ('CIP') Standards

During the reporting period, NYPA continues to implement the CIP program transition to assimilate Southeast New York ('SENY') and other upstate Low Impact facilities. The CIP Version 7 regulatory deadline has been extended to January 1, 2020. RSC continues to improve governance and management applications (AIMS/Maximo/CIMS) and 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. Such an approach ensures program stability, enhances NYPA's security posture and aligns with NYPA's enterprise-wide cyber security strategy.

RSC has initiated internal discussions on the new CIP-012 reliability standards with stakeholders. CIP-012-1 Cyber Security Control Center Communication Networks is intended to protect confidentiality and integrity of data transmitted between Control Centers required for reliable operation of the Bulk Electric System ('BES'). RSC and key stakeholders are also in the process of selecting a vendor to kick-off implementation activities related with the CIP-013 Cyber Security Supply Chain Risk Management Standard.

In January, a meeting with Navigant was held at Clark Energy Center to begin the evaluation of NYPA's CIP internal controls program, conduct a gap analysis and prepare a process evaluation ultimately supporting each identified business unit.

Control Center Classification

In mid-2018, NPCC determined that for consistent Electric Reliability Organization ('ERO')-wide implementation of the CIP standards, the BES Cyber Systems located at various NYPA control rooms that are currently categorized as Medium Impact should be categorized as High Impact BES Cyber Systems. NYPA does not plan on changing its BES facility categorization for these facilities from a control room to a 'Control Center.' NYISO and NYPA plan to document their unique TOP/TO relationship to support and provide clarity that NYPA does not perform the functional obligations of a Transmission Operator ('TOP'). RSC responded to NPCC and proposed an implementation plan to address their determination. NYPA will reassess its Bulk Electric Cyber Systems ('BCS') located at Niagara, St. Lawrence and BG control rooms as High Impact and implement new, 'High' cyber security controls at these locations. NYPA and NPCC agreed to a phased-in implementation plan to implement additional cyber security controls at these locations. The first milestone will be due 12/31/2019 and full implementation by 12/31/2020.

Environmental, Health & Safety Compliance Audit

In 2019, Environmental Health and Safety ('EH&S') will conduct seven (7) compliance audits that are applicable to NYPA's Environmental Health and Safety program.

During the reporting period, EH&S compliance audits were conducted at the Flynn and Gowanus sites. No Level I (critical) findings were observed. The Final EH&S Compliance Audit Reports have been documented and disseminated to all stakeholders. Open findings are being addressed within the EH&S escalation process.

Code Compliance

Code compliance issued the following construction permits in 2018:

- 15 new construction permits
- 6 Certificates of Occupancy
- 14 Temporary Approvals (i.e. Tents)

The following is the status of the Annual Fire Safety Inspections:

The Fire Safety inspections for 100% of structures under NYPA custody were completed in 2018 with Certificate of Compliance or corrective action plan issued for all structures. Inspections are starting for 2019.”

CANAL ETHICS

“SUMMARY

The Office of Ethics and Compliance (‘E&C Office’) advises the NYS Canal Corporation (‘Canals’) directors, officers and employees on the legal, regulatory, and Code of Conduct ethics and compliance standards relating to Canals’ employees and operations. It coordinates the investigation of allegations and concerns involving Canals’ assets and employees. This report highlights significant developments of the Canals ethics and compliance program since the most recent Governance Committee meeting on January 30, 2019.

BACKGROUND

NYPA’s E&C Office is responsible for the Canals Ethics & Compliance Program, provides interpretative guidance to Canals’ staff and facilitates Canals’ compliance with applicable rules and regulations. The principal substantive issues arising under the Public Officers Law investigated or researched since the most recent Governance Committee report include requests to engage in outside activities and employment, nepotism and conflict of interest analyses.

DISCUSSION

A Canals employee was arrested and charged with criminal possession of a forged instrument in the second degree, a felony and official misconduct, after he submitted fraudulent jury duty forms and attendance records claiming that he had served two days of jury service in order to receive pay for days he did not work. This case is pending in the City of Utica Court.

A Canals employee purchased a home from a private citizen, which wholly encroaches on Canals land located near a lock. The employee purchased the home in 2011 and has had a valid Canals Permit since the time of purchase. He has contacted the Canals Real Estate staff to inquire about purchasing the land under the house so that he could have complete title to the home and land under it. Canals’ policies allow for sale of some abandoned properties, but the Public Officers Law may restrict employees from making purchases directly from their agencies. Current policy requires a full market value appraisal of the property to establish its value. NYPA has contacted JCOPE for an advisory opinion on whether Canals’ employees may purchase real property from Canals under these scenarios.

Financial Disclosure

Mandatory Financial Disclosure ('FDS') profile updates were submitted to the New York State Joint Commission on Public Ethics ('JCOPE') prior to the February 28 deadline. This project included review of all participants in the FDS titles, home and email addresses, phone numbers and filer designations for Canals employees and members of the Canal Recreationway Committee. Canals currently has 31 required filers and no employees holding exemptions.

Financial Disclosure forms must be submitted by May 15, 2019.

Training and Outreach

The E&C Office developed a comprehensive computer-based training to be delivered to Canals' employees and is currently vetting the presentation for additional input from the Strategic Supply Management department. The training was developed as a result of an investigation concerning a Canals procurement agent making Canals' purchases from a relative's commercial business.

Compliance Reporting

The E&C Office has collaborated with Canals' management to develop an inventory of mandatory statutory and regulatory reports required to be created and submitted with external parties. The inventory identifies the report, responsible Canals department, statutory/regulatory requirement and submission date and recipients. In some instances, reports are generated by Canals' representatives and others are prepared by NYPA staff who serve as compliance owners for certain shared services functions between the organizations.

In accordance with established procedures, the responsible Canals and NYPA subject matter experts review each reporting requirement to verify that all mandates have been satisfied and identify any new or outdated items. Canals' executive management certify the content for accuracy and completion. This process ensures that effective checks and balances exist to mitigate the risk of non-compliance and reputational damage."

CANAL TECHNICAL COMPLIANCE

"SUMMARY

This report highlights important aspects of NYPA's Technical Compliance support for the Canal Corporation ('Canals') and related integration activities for the period October 2, 2018 to March 26, 2019. A brief background statement is followed by discussion of specific Technical Compliance-related topics affecting the enterprise.

BACKGROUND

As part of the overall integration activities, the following groups within Technical Compliance worked with the Canals and NYS Thruway personnel to ensure a seamless transition for their respective core functions. These groups are Physical Infrastructure Security, Emergency Management, and Code Compliance. Post-integration activities are discussed in this report.

DISCUSSION

Physical Infrastructure Security and Emergency Management

As part of the Utility Operations team supporting the Canals, Physical Infrastructure Security continued to provide appropriate security access controls. A contract with Champion Security Services (a NYS Certified SDVOB) continues to be in place with language to support ad-hoc security guard and investigative needs. Physical Infrastructure Security continued to have discussions with key Canals stakeholders regarding the execution of a security assessment. Canals' stakeholders provided a listing of locations and an assessment template was developed. Physical Infrastructure Security and Canals' personnel have prioritized the list of locations that will be assessed. Physical Infrastructure Security met with NYS SDVOB who have experience in site surveys and currently are working towards awarding a contract to complete Canals' Security Surveys. Physical Infrastructure Security met with Canals' staff onsite and surveyed a typical lock site.

In June 2018, Physical Infrastructure Security completed photographing and issuance of Canals ID cards to 100% of Canals employees. Physical Infrastructure Security continues to issue Canals ID Cards. Physical Infrastructure Security has also assisted the Canals stakeholders in a number of security related investigations. In late 2018, Physical Infrastructure Security included the Canals in the annual Security Awareness Card distribution. In early 2019, Physical Infrastructure Security worked with the Law Department to provide edits and comments to Canals on Management of Security Systems.

NYPA's Emergency Management ('EM') team continues to support Canals with Emergency Management activities. A five-year drill and exercise plan (2019-2023) has been developed for Canals that NYPA will support with in-house and contract staff. NYPA's EM continues to collaborate with Physical Security and Cyber Security on Canals' activities. Interviews are being conducted for additional EM staff to support Canals and NYPA.

Code Compliance

Code Compliance at Canals has been implemented as a shared service. The new program was formally rolled out to Canals' staff with presentations to East and West Divisions in November 2018 outlining the requirements and process.

The following are the major areas with ongoing activities:

- The Fire Safety inspections for 100% of the structures under Canals' custody were completed in 2018 with Certificate of Compliance or corrective action plan issued for all structures. Inspections are starting for 2019.
- The Code group is working with Canals' staff to reinforce the requirements of the Code and permitting process. More projects are being permitted prior to construction, and this area requires continued focus."

i. **Appointment of Acting Executive Vice President and Chief Financial Officer**

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Governance Committee is requested to recommend to the Authority's Board of Trustees and the Canal Corporation's Board of Directors the appointment of Lee Garza as Acting Executive Vice President and Chief Financial Officer of the Authority and Canal Corporation effective May 1, 2019.

BACKGROUND & DISCUSSION

The appointment of acting officers is governed by the Bylaws, Article IV, Section 4, which provides that the Trustees/Board of Directors may fill officer positions with an acting or interim appointment until such time as a permanent replacement is appointed.

RECOMMENDATION

The Governance Committee is requested to recommend to the Authority's Trustees and the Canal Corporation's Board of Directors the appointment of Lee Garza as Acting Executive Vice President and Chief Financial Officer, effective May 1, 2019, to hold such office until a permanent replacement is appointed."

3. **Next Meeting**

Chair Kress said that the next meeting of the Governance Committee is to be held on Wednesday, September 25, 2019 at a time to be determined.

Closing

Upon motion made by Member Dennis Trainor and seconded by Member John Koelmel, the meeting was adjourned by the Chair of the Committee at approximately 9:57 a.m.

Karen Delince

Karen Delince
Corporate Secretary

March 26, 2019

EXHIBITS

For

March 26, 2019

Joint Governance

Committee

Meeting Minutes

NYPA PROCUREMENT CONTRACTS SUMMARY **January - December 2018**

In accordance with the NYPA Guidelines for Procurement Contracts, “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 is a summary of all procurement contracts including multi-year contracts awarded through December 31, 2018. These contracts have been active during 2018 and are \$5,000 or greater in value. There were 2,488 such contracts with an estimated value of more than \$4.9 billion, not including fossil fuel or corporate finance expenditures covered in Sections 2c i-E and 2c i-F of this report, respectively. Total procurement expenditures in 2018 exceeded \$614 million.

The following is a breakdown of the total number of active contracts, excluding fossil fuel and corporate finance contracts, by contract type:

- 7% Construction services;
- 46% Equipment and Commodities;
- 4% Architectural and Engineering services;
- 1% Legal services;
- 15% Personal Service contracts such as professional consulting services; and
- 27% Non-Personal Service contracts such as maintenance, technicians, and contingent workforce

Based on the total value of the contracts included in this summary (\$4.9 billion), approximately 98.6% of contracts were competitively bid. Thus far in 2018, approximately 1.4% of contracts (with a total contract value of approximately \$69 million), were sole/single-source awards, which included over \$1.6 million in Minority- and Women-owned Business Enterprises (MWBs), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

POWER AUTHORITY OF THE STATE OF NEW YORK

2018 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SYSTEMS, INC.	\$ 6,610.75	\$ 6,610.75
SUBTOTAL:		\$ 6,610.75	\$ 6,610.75

POWER AUTHORITY OF THE STATE OF NEW YORK

2018 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
1988 CATERPILLAR DOZER D6	JD SALES	\$ 32,000.00	\$ 100.00	\$ 31,900.00
1999 CATERPILLAR BRONTOSAURUS	MCGREW EQUIPMENT	\$ 58,500.00	\$ 100.00	\$ 58,400.00
2000 ROLLINGSTAR TRAILER	CARVER CONSTRUCTION	\$ 6,100.00	\$ 100.00	\$ 6,000.00
2002 ROLLINGSTAR TRAILER	CARVER CONSTRUCTION INC	\$ 6,250.00	\$ 100.00	\$ 6,150.00
2002 ROLLINGSTAR TRAILER	CARVER CONSTRUCTION	\$ 6,250.00	\$ 100.00	\$ 6,150.00
2005 PETERBILT 335	TIOGA CONSTRUCTION COMPANY INC	\$ 49,000.00	\$ 100.00	\$ 48,900.00
2007 ARGO AVENGER	RICHARD GILMORE	\$ 5,750.00	\$ 100.00	\$ 5,650.00
2007 CPST GT3000/2007 ALTC AC26-103S	MATTHEW SMITH	\$ 65,000.00	\$ 200.00	\$ 64,800.00
2007 CAMOPLAST TROOPER	OUTDOOR MOTOR SPORTS LLC	\$ 36,000.00	\$ 100.00	\$ 35,900.00
2007 CAMOPLAST TROOPER	PETERSON EQUIPMENT COMPANY	\$ 31,500.00	\$ 100.00	\$ 31,400.00
2007 CAMOPLAST TROOPER	CLINTON THOMPSON	\$ 30,000.00	\$ 100.00	\$ 29,900.00
2007 JLG 660SJ	JOSEPH RIZZO	\$ 33,000.00	\$ 100.00	\$ 32,900.00
2007 JLG 660SJC	ALAUDDIN GEN TRADING CO LLC	\$ 31,000.00	\$ 100.00	\$ 30,900.00
2008 FORD F550/2009 AF SPREADER	ICAR AUTO SALES LLC	\$ 15,000.00	\$ 100.00	\$ 14,900.00
2009 BOBCAT T320 LOADER	TIMOTHY JOANETTE	\$ 23,000.00	\$ 100.00	\$ 22,900.00
2009 FORD F150	BRAVO AUTO SALES INC	\$ 9,500.00	\$ 100.00	\$ 9,400.00
2009 FORD F150	ELDU ENERGY SERVICES CORPORATION	\$ 9,250.00	\$ 100.00	\$ 9,150.00
2010 BOBCAT 5600	CALANDRA RACING CONCEPTS INC	\$ 18,000.00	\$ 100.00	\$ 17,900.00
2010 CHEVROLET TAHOE	DANNI MILLER	\$ 8,500.00	\$ 100.00	\$ 8,400.00
2010 CHEVROLET TAHOE	WOLCOTT AUTO PARTS INC	\$ 8,000.00	\$ 100.00	\$ 7,900.00
2010 FORD F450	JOE POTTENBURGH	\$ 7,500.00	\$ 100.00	\$ 7,400.00

POWER AUTHORITY OF THE STATE OF NEW YORK

2018 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
2010 JLG 660SJC	PITTSFIELD LAWN & TRACTOR	\$ 37,500.00	\$ 100.00	\$ 37,400.00
2011 CHEVROLET SUBURBAN	SEMIR MUJIC	\$ 12,250.00	\$ 100.00	\$ 12,150.00
2011 CHEVROLET TAHOE	UPSTATE AUTO SALES	\$ 7,500.00	\$ 100.00	\$ 7,400.00
2011 CHEVROLET TAHOE	UPSTATE AUTO SALES	\$ 7,500.00	\$ 100.00	\$ 7,400.00
2011 FORD F250	SUPPLY WAGON RENTALS LLC	\$ 14,250.00	\$ 100.00	\$ 14,150.00
2011 FORD F250	ICAR AUTO SALES	\$ 10,500.00	\$ 100.00	\$ 10,400.00
2011 KUBOTA RTV1100CWXL-A	RENODIN'S PRODUCE	\$ 10,000.00	\$ 100.00	\$ 9,900.00
2011 KUBOTA RTV1100CWXL-A	A W C LLC	\$ 6,500.00	\$ 100.00	\$ 6,400.00
2013 FORD F150	TODD CABLE CONSTRUCTION LLC	\$ 10,250.00	\$ 100.00	\$ 10,150.00
2013 PISTEN BULLY SCOUT	PETERSON EQUIPMENT COMPANY	\$ 32,500.00	\$ 100.00	\$ 32,400.00
2015 CHEVROLET TAHOE	ICAR AUTO SALES LLC	\$ 15,500.00	\$ 100.00	\$ 15,400.00
2015 CHEVROLET TAHOE	ICAR AUTO SALES LLC	\$ 15,500.00	\$ 100.00	\$ 15,400.00
2016 SUBARU CROSSTREK	UPSTATE AUTO SALES	\$ 7,000.00	\$ 100.00	\$ 6,900.00
2009 INTL NAVISTAR SCHOOL BUS*	GREATER AMSTERDAM SCHOOL DIST	\$ 75,000.00	\$ 0.00	\$ 0.00
2013 THOMAS BUILT SCHOOL BUS*	GATES CHILI SCHOOL DIST	\$ 75,000.00	\$ 0.00	\$ 0.00
FLEET SUBTOTAL:		\$ 825,850.00	\$ 3,500.00	\$ 822,350.00
+ SUBTOTAL Page 1:		<u>\$ 6,610.75</u>	--	<u>\$ 6,610.75</u>
GRAND TOTAL:		<u>\$ 832,460.75</u>	\$ 3,500.00	<u>\$ 828,960.75</u>

* Sale Price = Fair Market Value for these two vehicles. These vehicles were transferred to the Program Participants for \$0.

SUPPLIER DIVERSITY PROGRAM (SDP)

January – December 2018

From January 1, 2018 to December 31, 2018 the Authority and the Canal Corporation expended \$76.8 million, or 22.4%, of its reportable expenditures to New York State-certified Minority- / Women-owned Business Entities (“M/WBEs”). This includes direct contracts and subcontracts, as well as construction and energy efficiency-related work. Additionally, Treasury transactions with NYS-certified M/WBE financial dealers for the same period resulted in \$875.8 million, or 48.6%, in principal sales and purchases for the Authority.

Service-Disabled Veteran-Owned Business (“SDVOB”) utilization for the period January 1, 2018 to December 31, 2018 was approximately \$10.2 million, or 46%, of designated spend. Additionally, SDVOB financial dealers transacted over \$362.7 million, or 20.1%, in principal sales and purchases during the same period.

The Authority’s request for a more appropriate and attainable 2018 Goal Plan of 22% was approved. Management continues to be confident that the new procurement model, proper procurement goal assessment, enhanced tracking and reporting of M/WBEs and SDVOBs along with the revised approaches in determining M/WBE goal participation collectively provides the Authority continued success in providing opportunities to diverse suppliers.

The Authority continues to work diligently with Empire State Development (“ESD”) and the Office of General Services to meet their respective legislative requirements. NYPA SDP management continues to work with ESD’s Business Development Unit to create a Mentor-Protégé Program and to identify new diverse suppliers who can support the upcoming needs of the Authority’s Design Build initiatives. NYPA SDP hosted a Purchasing Exchange in June 2018 where over 30 exhibitors (state agencies/authorities and prime contractors as well as over 175 diverse suppliers) were in attendance. NYPA SDP has exhibited in 9 diverse supplier outreach events throughout the State and participated in the Design Build panel at the October 2018 MWBE Forum in Albany.

Please note that the rates and values in this summary were generated for internal tracking purposes based on NYPA’s calendar year reporting, and may not be in alignment with approved NYS fiscal year measures.

INVENTORY STATISTICS
December 31, 2018

Facility	12/31/18	12/31/17	12/31/16
Niagara	17,698,911	18,549,218	17,980,724
St. Lawrence	15,708,193	15,629,282 ¹	14,353,129
Poletti Project	12,046,010	11,852,496 ²	9,152,218
Flynn Project	8,123,546	8,014,664	7,090,659
Blenheim-Gilboa	9,974,296	9,195,166	8,857,407
500 MW Project	27,664,839	27,200,311 ³	25,996,369
Clark Energy Center	6,573,108	6,517,035	6,420,115
Canal Corporation	785,235	740,687	N/A
Total Stock Value	\$ 98,574,138	\$ 97,698,859	\$ 89,850,621

¹ 2017 Includes \$1.131 million for STL net purchases of:
765KV Disconnect Switches & Structure Supports

² 2017 Includes \$2.7 million for POL net purchase of:
Okonite HPFF Cable for Y49 /LISC application

³ 2017 Includes \$812K for 500MW net purchases of:

Bull Gears	\$ 194K
Mechanical Seals	\$ 180K
Volutes & Gase Seal	\$ 161K
Worm Gear	\$ 92K
Diaphrams	\$ 96K
Condensate Pump Motor	\$ 62K
Air Purge Valve	\$ 27K

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2018**

**Exhibit 2c i-E
March 26, 2019**

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

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y 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 2018	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		\$15,921,525	\$15,921,525	\$581,262	\$0	4/1/1994	O	3/31/2019	
FD-1990-34	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1		N	N		\$4,794,231	\$4,794,231	\$145,316	\$0	10/1/1993	O	3/31/2019	
FD-2002-11	PSEG EnergyResourcesTrade 80 Park Plaza Floor T-19 Newark NJ 07102	NAESB Agreement for Natural Gas	E	B		F	N	32	\$11,017,721	\$11,017,721	\$0	\$0	11/1/2002	O	*	
FD-2003-09	J. Aron and Company 85 Broad Street New York NY 10004	NAESB Agreement for Natural Gas	E	B		N	N	32	\$83,241,402	\$83,241,402	\$0	\$0	4/22/2003	O	*	
FD-2003-10	BP Energy Company 201 Helios Way Houston TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32	\$221,828,649	\$221,828,649	\$10,885,569	\$0	10/1/2004	O	*	
FD-2003-12	Exelon Generation Company, LLC 1310 Point Street Baltimore MD 21231	NAESB Agreement for Natural Gas	E	B		F	N	32	\$55,860,651	\$55,860,651	\$0	\$0	6/9/2003	O	*	
FD-2003-13	Merrill Lynch Commodities, Inc. 20 East Greenway Plaza Houston TX 77046	NAESB Agreement for Natural Gas	E	B		F	N	32	\$2,477,405	\$2,477,405	\$760,996	\$0	11/1/2003	O	*	
FD-2003-14	Colonial Energy Inc. 3975 Fair Ridge Drive Fairfax VA 22033	NAESB Agreement for Natural Gas	E	B		F	N	32	\$517,760,813	\$517,760,813	\$3,416,135	\$0	7/1/2003	O	*	
FD-2003-15	Virginia Power Energy Mktg P.O. Box 25773 Richmond VA 23260	NAESB Agreement for Natural Gas	E	B		F	N	32	\$629,265,426	\$629,265,426	\$0	\$0	7/11/2003	O	*	
FD-2004-08	Shell Energy North America (US), L.P. 1000 Main Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	\$84,192,427	\$84,192,427	\$0	\$0	4/1/2004	O	*	
FD-2005-12	NJR Energy Services Co 1415 Wyckoff Road Wall NJ 07719	NAESB Agreement for Natural Gas	E	B		F	N	32	\$453,726,149	\$453,726,149	\$17,916,513	\$0	9/1/2005	O	*	
FD-2007-10	Eastern Generation, LLC 18-01 20th Avenue Astoria NY 11105	Oil Delivery Labor Fees	E	1		N	N		\$60,771	\$60,771	\$0	\$0	7/1/2006	O	*	
FD-2008-05	Sequent Energy Mgmt LP 1200 Smith Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	\$38,043,192	\$38,043,192	\$1,447,531	\$0	3/1/2008	O	*	
FD-2008-06	Macquarie Energy LLC 500 Dallas Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	\$47,096,447	\$47,096,447	\$0	\$0	7/1/2008	O	*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2018**

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CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y 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 2018	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-09	Con Edison 4 Irving Place New York NY 10003	LDC Agreement	E	1		N	N		\$26,446,093	\$26,446,093	\$290,328	\$0	8/1/2008	O	6/30/2019	
FD-2008-10	United Energy Trading, LLC 215 Union Boulevard Lakewood CO 80228	NAESB Agreement for Natural Gas	E	B		F	N	32	\$159,002,299	\$159,002,299	\$656,979	\$0	11/19/2008	O	*	
FD-2009-07	Conoco Phillips Company 600 North Dairy Ashford Houston TX 77079	NAESB Agreement for Natural Gas	E	1		F	N	32	\$45,657,531	\$45,657,531	\$1,922,242	\$0	5/1/2009	O	*	
FD-2009-08	NextEra Energy Power Marketing, LLC 700 Universe Blvd Juno Beach FL 33408	NAESB Agreement for Natural Gas	E	B		F	N	32	\$15,815,177	\$15,815,177	\$5,661,342	\$0	12/1/2009	O	*	
FD-2010-02	ENSTOR Energy Services, LLC 20329 State Highway 249 Houston TX 77070	NAESB Agreement for Natural Gas	E	B		F	N	32	\$34,431,432	\$34,431,432	\$16,450,758	\$0	8/9/2010	O	*	
FD-2011-06	EDF Trading North America, LLC 4700 West Sam Houston Houston TX 77041	NAESB Agreement for Natural Gas	E	B		F	N	32	\$199,573,999	\$199,573,999	\$5,845,226	\$0	6/1/2011	O	*	
FD-2011-10	Tenaska Gas Storage, LLC 14302 FNB Parkway Omaha NE 68154	NAESB Agreement for Natural Gas	E	B		F	N	32	\$1,251,315	\$1,251,315	\$0	\$0	12/1/2011	O	*	
FD-2011-11	Statoil Natural Gas, LLC 120 Long Ridge Road Stamford CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32	\$18,684,302	\$18,684,302	\$0	\$0	4/18/2012	O	*	
FD-2012-02	Repsol Energy North America Corporation 2455 Technology Forest Rd The Woodlands TX 77381	NAESB Agreement for Natural Gas	E	B		F	N	32	\$39,018,070	\$39,018,070	\$819,260	\$0	11/13/2012	O	*	
FD-2013-06	Chesapeake Energy Marketing, LLC P.O. Box 18496 Oklahoma City OK 73154-0496	NAESB Agreement for Natural Gas	E	B		F	N	32	\$47,625,653	\$47,625,653	\$10,017,445	\$0	5/28/2013	O	*	
FD-2014-08	Spark Energy Gas, LLC 12140 Wickchester Lane Houston TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32	\$314,263,845	\$314,263,845	\$33,325,139	\$0	2/1/2014	O	*	
FD-2014-12	EQT Energy, LLC 625 Liberty Ave Pittsburgh PA 15222-3111	NAESB Agreement for Natural Gas	E	B		F	N	32	\$455,883	\$455,883	\$311,352	\$0	5/1/2014	O	*	
FD-2014-16	Pacific Summit Energy LLC 2010 Main Street Irvine CA 92614	NAESB Agreement for Natural Gas	E	B		F	N	32	\$56,247,923	\$56,247,923	\$9,614,638	\$0	8/11/2014	O	*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2018**

**Exhibit 2c i-E
March 26, 2019**

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

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y 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 2018	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2015-03	Cabot Oil & Gas Corporation 840 Gessner Road Houston TX 77024-4152	NAESB Agreement for Natural Gas	E	B		F	N	32	\$2,439,304	\$2,439,304	\$0	\$0	3/2/2015	O	*	
FD-2015-05	DTE Energy Trading, Inc. 414 South Main Street Ann Arbor MI 48104	NAESB Agreement for Natural Gas	E	B		F	N	32	\$60,395,926	\$60,395,926	\$22,297,012	\$0	8/14/2015	O	*	
FD-2015-07	Definite Energy Group 575 Lexington Ave New York NY 10022	NAESB Agreement for Natural Gas	E	B		N	N	32	\$385,895	\$385,895	\$0	\$0	10/1/2015	O	*	
FD-2015-10	Direct Energy Business Marketing, LLC 194 Wood Ave South Iselin NJ 08830	NAESB Agreement for Natural Gas	E	B		F	3	32	\$1,264,148	\$1,264,148	\$108,090	\$0	12/14/2015	O	*	
FD-2016-01	Saybolt LP P.O. Box 844640 Dallas TX 752844640	Oil Inspection Agreement	P	B		N	N		\$22,224	\$22,224	\$13,219	\$0	1/1/2017	O	12/31/2019	
FD-2016-02	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AEII Demand Charges	E	1		N	N		\$16,094	\$16,094	\$5,264	\$0	5/1/2016	O	4/30/2019	
FD-2016-07	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1		N	N		\$2,907,027	\$2,907,027	\$1,939,495	\$0	4/1/2017	O	3/31/2019*	
FD-2018-01	George E. Warren Corp 3001 Ocean Drive Vero Beach FL 32963	Oil Letter Contract	E	B		F	N		\$5,179,724	\$5,179,724	\$5,179,724	\$0	1/5/2018	C		01/05/18
FD-2018-03	Apex Oil 8235 Forsyth Blvd. Saint Louis MO 63105	Oil Letter Contract	E	B		F	N		\$4,343,630	\$4,343,630	\$4,343,630	\$0	1/2/2018	C		1/7/2018
FD-2018-04	Apex Oil 8235 Forsyth Blvd. Saint Louis MO 63105	Oil Letter Contract	E	B		F	N		\$4,529,343	\$4,529,343	\$4,529,343	\$0	1/9/2018	C		1/11/2018
FD-2018-05	Apex Oil 8235 Forsyth Blvd. Saint Louis MO 63105	Oil Letter Contract	E	B		F	N		\$4,544,427	\$4,544,427	\$4,544,427	\$0	1/12/2018	C		1/18/2018
FD-2018-06	George E. Warren Corp 3001 Ocean Drive Vero Beach FL 32963	Oil Letter Contract	E	B		F	N		\$4,289,943	\$4,289,943	\$4,289,943	\$0	1/19/2018	C		1/27/2018
FD-2018-07	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AEII Spill Tax Reimbursement	E	1		F	N		\$12,341	\$12,341	\$12,341	\$0	12/10/2018	O		
FD-2016-05	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1		F	N		\$1,173,626	\$1,173,626	\$0		4/1/2017	C		3/31/2018

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2018**

**Exhibit 2c i-E
March 26, 2019**

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

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y 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 2018	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2018-12	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1		F	N		\$1,549,743	\$1,549,743	\$1,549,743	\$0	05/01/18	O	05/01/19	
FD-2018-13	Engie Energy Marketing NA, Inc. 1990 Post Oak Blvd Houston TX 77058	NAESB Agreement for Natural Gas	E	B		F	N	34	\$3,015,267	\$3,015,267	\$3,015,267	\$0	4/12/2018	O	*	
FD-2017-01	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement(G/K/P)	E	1		N	N		\$1,763,231	\$1,763,231	\$0		6/1/2017	C		5/31/2018
FD-2018-16	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement(G/K/P)	E	1		N	N		\$2,609,450	\$2,609,450	\$2,609,450	\$0	06/01/18	O	05/31/19	
FD-2017-02	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1		N	N		\$757,436	\$757,436	\$0		06/01/17	C		05/31/18
FD-2018-17	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1		N	N		\$1,327,748	\$1,327,748	\$1,327,748	\$0	06/01/18	O	05/31/19	
FD-2018-20	Freepoint Commodities LLC 58 Commerce Road Stamford CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32	\$1,660,810	\$1,660,810	\$1,660,810	\$0	6/28/2018	O	*	
FD-2018-21	Penn Oak Services, LLC 1815 Sudbury Rd NW Washington DC 20012	NAESB Agreement for Natural Gas	E	B		F	N	32	\$717,268	\$717,268	\$717,268	\$0	07/19/18	O	*	
FD-2018-22	George E. Warren Corp 3001 Ocean Drive Vero Beach FL 32963	Oil Letter Contract	E	B		F	N		\$60,224	\$60,224	\$60,224	\$0	11/14/2018	C		11/26/2018
FD-2018-23	George E. Warren Corp 3001 Ocean Drive Vero Beach FL 32963	Oil Letter Contract	E	B		F	N		\$38,243	\$38,243	\$38,243	\$0	12/3/2018	C		12/10/2018
FD-2018-24	George E. Warren Corp 3001 Ocean Drive Vero Beach FL 32963	Oil Letter Contract	E	B		F	N		\$38,330	\$38,330	\$38,330	\$0	12/3/2018	C		12/10/2018
Fuels Totals									\$3,228,801,733	\$3,228,801,733	\$178,347,602	\$0				

POWER AUTHORITY OF THE STATE OF NEW YORK
2018 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

March 26, 2019
Exhibit 2c i-F

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O N E Y	R O W S	O P E R A T I O N S	M B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2018	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		540,988	540,988	25,757	-	2/24/1998	O	*	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N		242,388	242,388	12,781	-	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		1,974,099	1,974,099	81,829	-	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		1,152,523	1,152,523	57,210	-	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		1,150,376	1,150,376	42,531	-	12/4/1997	O	*	

POWER AUTHORITY OF THE STATE OF NEW YORK
2018 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

March 26, 2019
Exhibit 2c i-F

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O D E	R O A D	N O N R O A D	P R O J E C T	M U L T I P H A S E	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2018	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			946,998	946,998	5,485	-	3/4/2003	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N			381,615	381,615	54,212	-	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N			654,426	654,426	12,821	-	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N			575,624	575,624	16,780	-	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2015	S	C	9	N		2	9,413,666	9,413,666	2,575,000	-	1/15/2015	O	1/19/2019	

POWER AUTHORITY OF THE STATE OF NEW YORK
2018 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

March 26, 2019
Exhibit 2c i-F

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O N E Y	R O W S	M O N E Y	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2018	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	480,487	480,487	29,944	-	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		787,806	787,806	59,501	-	7/14/1994	O	*	
CORPORATE FINANCE TOTALS							18,311,770	18,311,770	2,973,851	-				

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 2018

Annual 2018 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 2018 YTD Report Transfer of Interest in Personal Property to Canal Corporation less than \$500,000 in value is attached.

FLEET – Annual 2018 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 twelve (12) Fleet vehicles, valued at \$245,042, as described in the attached report in furtherance of Canal Corporation’s operation, maintenance, construction, reconstruction, improvement and development of the canal system.

OTHER PERSONAL PROPERTY– Annual 2018 Activity Summary

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

Grand Total as of 12/31/18

As summarized on the attached Report, the January through December 2018 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 \$245,042.

POWER AUTHORITY OF THE STATE OF NEW YORK

**JANUARY – DECEMBER 2018 ANNUAL REPORT OF TRANSFER OF INTEREST IN PERSONAL
PROPERTY TO CANAL CORPORATION LESS THAN OR EQUAL TO \$500,000**

FLEET OPERATIONS

DESCRIPTION	VIN	UNIT #	TRANSFER DATE	Transfer Value Recorded by the Authority
2006 CATEPILLAR D5GX DOZER	300221731	XT45	3/19/2018	\$ 41,770.00
2006 CATEPILLAR D5GX DOZER	1D8HB38P99F715337	XT55 (XT49)	3/19/2018	\$ 6,475.00
2006 JLG E300AJ MANLIFT	1GNSKDEJ6CR249664	M300	11/30/2018	\$ 15,600.00
2008 FORD ESCAPE	1GNSKDFJ6BR300982	H446	3/19/2018	\$ 15,625.00
2008 FORD F350 PICKUP	1FT7W2B68CEC13778	P453	3/19/2018	\$ 15,525.00
2009 DODGE DURANGO	1FTNF1EF4CKD70397	09S424	3/19/2018	\$ 10,050.00
2009 DOOSAN B10R FORKLIFT	1FMCU59H88KA36991	09FL01	11/30/2018	\$ 5,362.00
2011 CHEVY TAHOE	1FTWW31R68EC78746	11H40	3/19/2018	\$ 12,525.00
2012 CHEVY TAHOE	CAT00D5GVWGB03200	12H1	3/19/2018	\$ 47,000.00
2012 FORD F150 PICKUP	CAT00D5GTRKG02945	12P65	3/19/2018	\$ 47,000.00
2012 FORD F250 PICKUP	KZ-70039	12P03	3/19/2018	\$ 7,650.00
2017 JLG E400AJPN MANLIFT	0300101649	17M3	2/23/2018	\$ 20,460.00
SUBTOTAL:				\$ 245,042.00

POWER AUTHORITY OF THE STATE OF NEW YORK

**JANUARY – DECEMBER 2018 ANNUAL REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO
CANAL CORPORATION LESS THAN OR EQUAL TO \$500,000**

OTHER PERSONAL PROPERTY

DESCRIPTION	Transfer Value Recorded by the Authority
	\$ 0.00
SUBTOTAL:	\$ 0.00
+ SUBTOTAL Page 1:	<u>\$ 245,042.00</u>
GRAND TOTAL:	<u>\$ 245,042.00</u>

CANAL CORPORATION PROCUREMENT CONTRACTS SUMMARY **January - December 2018**

In accordance with the Canals Guidelines for Procurement Contracts, “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 Canal Corporation facilities including operations and maintenance and capital projects, including but not limited to, goods and commodities, construction, maintenance work and other services.

The following is a summary of all procurement contracts including multi-year contracts awarded through December 31, 2018. These contracts have been active during 2018 and are \$5,000 or greater in value. There were 519 such contracts with an estimated value of more than \$252 million, with total procurement expenditures in 2018 exceeded \$58 million.

The following is a breakdown of the total number of active contracts:

- 9% Construction services;
- 61% Equipment and Commodities;
- 0% Architectural and Engineering services;
- 1% Legal services;
- 9% Personal Service contracts such as professional consulting services; and
- 20% Non-Personal Service contracts such as maintenance, technicians, and contingent workforce

Based on the total value of the contracts included in this summary (\$252 million), approximately 98.3% of contracts were competitively bid. Thus far in 2018, approximately 1.7% of contracts (with a total contract value of approximately \$4 million), were sole/single-source awards, which included over \$723 thousand in Minority- and Women-owned Business Enterprises (MWBs), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

The Canal Corporation had no fossil fuel or corporate finance activity related specifically to its operations. Additionally, for other matters, such as Supplier Diversity Program and Inventory Statistical reporting and the transfer of interest in personal property from NYPA to Canal Corporation, the values have been included in the attached NYPA reporting.

CANAL CORPORATION

2018 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by Canal Corp.
LOT OF GUARD RAILS W/ PARTS	RONALD WITKOWSKI	\$ 5,105.00	\$ 5,105.00
MISC NUTS AND BOLTS	BARONI RECYCLING	\$ 5,100.00	\$ 5,100.00
FRICK SAW MILL	MATTHEW EDWARDS	\$ 5,600.00	\$ 5,600.00
LOT OF STEEL H BEAMS	BARONI RECYCLING	\$ 15,600.00	\$ 15,600.00
LOT OF STEEL PILINGS	BARONI RECYCLING	\$ 16,200.00	\$ 16,200.00
50 TONS STEEL SHEETS / TRIM	TANU IMPEX, LLC	\$ 30,100.00	\$ 30,100.00
	TOTAL:	\$ 77,705.00	\$ 77,705.00

CANAL CORPORATION

2018 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by Canal Corp
1980 MCKIERNAN TRY PILE DRVR	TAYLORS CRANE SERVICE	\$ 6,850.00	\$ 0.00	\$ 6,850.00
1995 P&N CNT50 CNTR SERIES CRANE	COMMERCIAL STEEL	\$ 27,600.00	\$ 0.00	\$ 27,600.00
1990 JOHN DEERE 544E LOADER	RIDGE MTC. CORP	\$ 12,600.00	\$ 0.00	\$ 12,600.00
1977 P&H MT-250 TRUCK CRANE	MCLAUGHLINS MFD HOME MOVING	\$ 5,100.00	\$ 0.00	\$ 5,100.00
1973 P&H MT-250 TRUCK CRANE	L&L SURPLUS OF UTICA INC.	\$ 5,100.00	\$ 0.00	\$ 5,100.00
1995 FORD F545D TACTOR/LOADER	BDM VENTURES LLC	\$ 10,100.00	\$ 0.00	\$ 10,100.00
1998 INTL 4900 4X2 DUMP TRUCK	DOWN N OUT SEAMLESS GUTTERS	\$ 6,000.00	\$ 0.00	\$ 6,000.00
2000 CUSTOM 30 TON TRI AXLE TRL	WOODRUFF CONSTRUCTION	\$ 5,200.00	\$ 0.00	\$ 5,200.00
2004 FONTAINE SPL TL50FLD 108 TRL	CT EQUIPMENT	\$ 13,600.00	\$ 0.00	\$ 13,600.00
1965 LINK BELT CRANE	GREEN WAVE SALVAGE & RECYCLING	\$ 5,000.00	\$ 0.00	\$ 5,000.00
1989 AMERICAN CRANE 5435 CRANE	GWENN GOULD	\$ 5,500.00	\$ 0.00	\$ 5,500.00
2018 CHEVROLET IMPALA 4-DOOR	JASON ROSSI	\$ 8,200.00	\$ 0.00	\$ 8,200.00
1999 INTL 2574 DUMP TRUCK	EUGENE R. SHOVE, INC.	\$ 6,000.00	\$ 0.00	\$ 6,000.00
FLEET SUBTOTAL:		\$ 116,850.00	\$ 0.00	\$ 116,850.00
+ SUBTOTAL Page 1:		<u>\$ 77,705.00</u>	--	<u>\$ 77,705.00</u>
GRAND TOTAL:		<u>\$ 194,555.00</u>	\$ 0.00	<u>\$ 194,555.00</u>

Company Policy Title:

Policy Number:



NYPA GUIDELINES FOR PROCUREMENT CONTRACTS

CP 3-1

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	1	Per PAL §2879, the Guidelines were adopted by resolution and are reviewed annually and approved (by the Trustees). Updates proposed for clarity, ease of use and include minor changes to reflect current regulatory and statutory changes.	Sections 1,2,3,4,6,7, 10 and 13	Diane Gil, Senior Director, Procurement Governance & Analytics Center of Excellence

Printed copies are not controlled.

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

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, contracts for energy with or without environmental attributes included, capacity, renewable energy certificates, 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) or credit rating services; certain insurance and healthcare products that do not readily lend themselves to a competitive solicitation. 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 or 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. The term Relative may include, but is not limited to, 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.
- 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 Business Enterprises or NYS-certified MWBE firms, and without a dollar cap for SDVOB firms 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 Strategic Supply Management (“SSM”) Department, 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.

- 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 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 an SBE that offers a reasonable price for such goods and/or services. An SDVOB may be awarded on the basis of a single proposal that offers a reasonable price for such goods and/or services without a dollar cap. The award of such proposal requires the written approval of the Vice President, SSM. 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, SSM. 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 SSM and the 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; evaluation criteria (as defined in Section 4.B); 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 all required 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). 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, SSM, 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 Business Enterprises or NYS-certified MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, for discretionary awards on a single or sole source basis to SDVOB's, 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. 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 Enterprise or to a NYS-certified 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 awarded to a NYS-certified SDVOB for a discretionary purchase.
 7. 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.
 8. 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.
 9. 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 compelling 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, SSM, 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, SSM 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 shall apply:

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.

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 Company Policy, Lobbying Contacts CP 9-2, 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 themselves, 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, SSM 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 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 for Goods (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 may award on a "Best Value" basis for awarding contracts 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 (which include contracts for Construction, Personal and Non-personal services, as defined in Section 2.C.) 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.
- B. 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, SSM.
- C. 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.
- D. 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.
- E. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions.
- F. Multiyear contracts for Goods (which include equipment, materials and supplies, as defined in Section 2.D) valued or estimated to be \$5,000 or greater are subject to the management approval thresholds established in the EAPs, and require Trustee approval only once those thresholds are met.
- G. 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, SSM or equivalent(s) or designee, may authorize extending such contract, subject to the Trustees ratifying such action as soon as practicable.

- H. 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.
- I. 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, SSM 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.
- J. 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.
- K. 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, SSM 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 Authority's 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, SSM 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, SSM 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.

Company Policy Title:

Policy Number:



**NYPA Guidelines for the Disposal of Personal
Property**

CP 3-2

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	0	Converting approved 2018 NYPA Guidelines for the Disposal of Personal Property (“Guidelines”) to e-Scribe format. Per PAL §§§ 2895, 2896 and 2897, the Guidelines were adopted by resolution and are reviewed annually and approved (by the Trustees).	N/A	Kevin King, Director, Transactional Procurement

Note: Revision # should be listed in descending order starting with most recent version at the top

Printed copies are not controlled.

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

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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 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. The term Relative may include, but is not limited to, 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.

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. 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:
- 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 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 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.

- d) 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:
 - (1) a full description of the Property;
 - (2) 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;
 - (3) 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;
 - (4) a statement of the value to be received compared to the Fair Market Value;
 - (5) 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
 - (6) 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.
- e) 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.

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.

2. 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.
3. 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.

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, NY 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.

Company Policy Title:

Policy Number:

CP 3-3



NYPA Expenditure Authorization Procedures

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	0	Per the By-Laws of the Power Authority of the State of New York, Article VII, Section 5, the EAPs were adopted by resolution and are reviewed annually and approved (by the Trustees). Updates proposed for clarity and ease of use.	N/A	Diane Gil, Senior Director, Procurement Governance & Analytics Center of Excellence

Printed copies are not controlled.

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

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 offeror over another that can supply the goods or services.
- G. **“Sole Source”** refers to a procurement in which only one offeror 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. All Single / Sole Source or Non-competitive award required written justification and approval by the VP, SSM at a minimum (also refer to the Guidelines for Procurement Contracts Sections 3.H. N., and O.)

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</u>	
	<u>LOW BIDDER or</u>		<u>NON-COMPETITIVE,</u>		<u>CHANGE ORDER LIMIT ⁽²⁾</u>	
	<u>BEST VALUE ⁽¹⁾</u>		<u>SOLE or SINGLE</u>			
			<u>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. Cumulative Change Order limits apply when the original authorized amount of a value contract or Purchase Order has been exceeded. The original authorized aggregate approved value applied when there are multiple contract awards.

(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 or which change the overall value of a contract to \$1 million or greater require 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>		NON- COMPETITIVE, SOLE or SINGLE		<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. Cumulative Change Order limits apply when the original authorized amount of a value contract or Purchase Order has been exceeded. The original authorized aggregate approved value applied when there are multiple contract awards.

(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 ⁽¹⁾

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	"	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 – SSM ⁽⁴⁾	"	TO	\$20,000,000
CHAIR, PRESIDENT or EVP	"	OVER	\$20,000,000
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 – CLEAN ENERGY BUSINESS & MARKET DEVELOPMENT	CIC/CPC ⁽³⁾	TO	\$2,000,000
EVP AND CHIEF COMMERCIAL OFFICER	CIC/CPC ⁽³⁾	OVER	\$2,000,000

⁽¹⁾ All delegations of authority must be in writing.

⁽²⁾ Strategic Supply Management (SSM).

⁽³⁾ CIC/CPC = Customer Installation Commitments / Customer Project Commitments. These authorizations apply to the CIC's / CPC's initiating a project, and the settlement of such projects.

⁽⁴⁾ Certain contract documents, specifically Letters of Intent and Notices to Proceed, require the authorization of the VP, SSM.

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 original amount approved. The memorandum shall be approved in accordance with the cumulative change order limits set forth on Pages 2 and 3 and forwarded to the NYPA VP, Strategic Supply Management (SSM) 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.

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 original amount approved. The memorandum shall be approved in accordance with the cumulative change order limits set forth on Pages 2 and 3 and forwarded to the NYPA VP, SSM for review and approval. Cumulative change orders exceeding 25% of the original contract amount or exceeding \$500K for personal services contracts or exceeding \$6 million for procurement and non-procurement contracts (whichever is greater), require Trustee approval. The memorandum shall be signed in accordance with the cumulative change order limits set forth on Pages 2 and 3 and forwarded to the NYPA VP, SSM for review, followed by transmittal to the NYPA President, Chairman or Chief Operating Officer for approval, prior to obtaining 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 such additional funding is received from the Trustees, any subsequent increase in funding requires an additional memorandum for the approval of the Chair or Executive Vice President, until either the Trustees' approval is obtained or the contract is rebid.
5. Typical bases for additional funding 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 Authority's Guidelines for Procurement Contracts). Under-estimating the scope of a contract or failure to rebid in a timely fashion are not acceptable reasons for increased funding.

CANAL CORPORATION GUIDELINES FOR PROCUREMENT CONTRACTS

1. PURPOSE

These Guidelines for Procurement Contracts (“Guidelines”) set forth the policy of Canal Corporation 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 Canal Corporation offices, 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 valued under \$5,000, certain insurance and healthcare products that do not readily lend themselves to a competitive solicitation, contracts for the 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 Canal Corporation 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 Canal Corporation) 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 Canal Corporation) 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 Canal Corporation 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 Canal Corporation 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 Canal Corporation consideration of a bidder’s skill, judgment and business integrity.
- F. “Contact” is any oral, written or electronic communication with the Canal Corporation under circumstances where a reasonable person would infer that the communication was intended to influence the Canal Corporation conduct or decision regarding the procurement.
- G. “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 Subsection 9.E.1 of these Guidelines. The term Relative may include, but is not limited to, 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.
- 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 Canal Corporation 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 Canal Corporation, 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 Business Enterprises or NYS-certified MWBE firms, and without a dollar cap for SDVOB firms, as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Canal Corporation, 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 Strategic Supply Management ("SSM") Department, or the Canal Corporation SSM Department, 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.
- 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 Canal Corporation 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 Canal Corporation does so at its own cost or expense and will not be reimbursed by the Canal Corporation for the preparation of any responsive document, unless otherwise agreed to in writing and signed by an authorized Canal Corporation 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 Canal Corporation 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 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 an SBE that offers a reasonable price for such goods and/or services. An SDVOB may be awarded on the basis of a single proposal that offers a reasonable price for such goods and/or services without a dollar cap. The award of such proposal requires the written approval of the Vice President, SSM. 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, SSM. 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 Canal Corporation 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 Canal Corporation that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Canal Corporation 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 Canal Corporation that are substantially produced outside New York State, or services other than construction services, sought by the Canal Corporation 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 Canal Corporation 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 NYPA’s President and CEO if the CEO determines in writing that it is in the best interests of the Canal Corporation to do so, as further set forth in the above-referenced law.
 6. Pursuant to Public Authorities Law § 2879, the Canal Corporation 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 Canal Corporation SSM Department, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Canal Corporation 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 Canal Corporation (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 Canal Corporation 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 Canal’s Corporation SSM staff (or on behalf of the Canal Corporation 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 Canal’s Corporation 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 Canal Corporation SSM Department 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; evaluation criteria (as defined in Section 4.B.); milestone dates; the Canal Corporation Supplier Diversity Program and SDVOB requirements, if applicable; all other applicable Canal Corporation requirements and any special methods or limitations that the Canal Corporation 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 Canal Corporation will, prior to soliciting proposals, submit all required 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). 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 Canal Corporation 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 NYPA Vice President of Strategic Supply Management (SSM), and/or the head of the initiating department that does not complete its procurements through NYPA SSM or the Canal Corporation 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 Canal Corporation.

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 Business Enterprises (SBEs) or MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, for discretionary awards on a single or sole source basis to SDVOB's, 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. 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 a Canal Corporation 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 NYPA SSM Department or the Canal Corporation SSM Department staff 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 Enterprise or to a NYS-certified 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 awarded to a NYS-certified SDVOB for a discretionary purchase
 7. 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.
 8. 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.
 9. 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 Canal Corporation 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 Canal Corporation 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 Canal Corporation employees or workers.
 2. Proper functioning of the Canal Corporation 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 compelling reasons therefor to the NYPA Vice President, SSM. The award of such Procurement Contracts, regardless of value, requires the written approval of the NYPA Vice President, SSM, 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 NYPA President and CEO or the COO prior to processing by the NYPA SSM Department or Canal Corporation 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 NYPA Chief Executive Officer and Chief Financial Officer 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 NYPA Vice President, SSM or authorized designee.
- Q. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Canal Corporation 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 shall apply:

The “Restricted Period” is the period of time commencing with the earliest posting, on the Canal Corporation 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 Canal Corporation and ending with the final contract award and approval by the Canal Corporation 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 Canal Corporation multiple award contracts, as provided in Section 3.F.

The Canal Corporation shall designate a person or persons who may be contacted, with respect to each Canal Corporation procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Canal Corporation’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 Canal Corporation commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Canal Corporation who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987.
- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Canal Corporation to record in a database maintained by the New York State Office of General Services certain appearances between the Canal Corporation 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 Canal Corporation 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 Canal Corporation means both “external” (e.g., a lobbyist) and “internal” (e.g., sales representative) representatives of an entity, individuals appearing on behalf of themselves, 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 Canal Corporation 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 Canal Corporation 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 NYPA Vice President, SSM 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 Canal Corporation 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 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 for Goods (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 Canal Corporation may award on a “Best Value” basis for awarding contracts 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 Canal Corporation 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 Canal Corporation 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 Canal Corporation 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 Canal Corporation may diverge from the specifications of any solicitation if, after review of the proposals responsive to such solicitation, the Canal Corporation 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 (which include contracts for Construction, Personal and Non-personal services, as defined in Section 2.C.) 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 Canal Corporation Board of Directors. 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 Canal Corporation Board of Directors at the request of the initiating department and will be reviewed by the Canal Corporation Board of Directors

annually. Extending a contract for services, that has previously been approved by the Canal Corporation Board of Directors, for a cumulative term of more than 12 months requires further Canal Corporation Board of Director approval.

- B. Extending a contract, previously approved by the Canal Corporation Board of Directors, for 12 months or less (“grace period”) requires approval by the NYPA Vice President, SSM of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the NYPA Vice President, SSM.
- C. 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 Canal Corporation Board of Directors 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 Canal Corporation Board of Directors’ approval, at the next quarterly Canal Corporation Board of Directors’ meeting. If such approval is not granted, the contract will be terminated immediately.
- D. 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 Canal Corporation Board of Directors-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.
- E. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions.
- F. Multiyear contracts for Goods (which include equipment, materials and supplies, as defined in Section 2.D) valued or estimated to be \$5,000 or greater are subject to the management approval thresholds established in the EAPs, and require Trustee approval only once those thresholds are exceeded.
- G. 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 Department Head, with the prior concurrence of the NYPA Vice President, SSM or equivalent(s) or designee, may authorize extending such

contract, subject to the Canal Corporation Board of Directors ratifying such action as soon as practicable.

- H. 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 NYPA President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee is required, subject to the Canal Corporation Board of Directors ratifying such action as soon as practicable.
- I. 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 NYPA Vice President, SSM 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 NYPA 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 Canal Corporation Board of Directors approval, which will be solicited at their next scheduled Canal Corporation Board of Directors meeting.
- J. The NYPA SSM or the Canal Corporation SSM Department prepares the contract for execution by the Canal Corporation 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. Canal Corporation signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- K. Pursuant to Public Authorities Law § 2879, the Canal Corporation 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 Canal Corporation 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 NYPA SSM Department or Canal Corporation 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.

Canal Corporation 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 NYPA SSM Department and the Canal Corporation SSM Department, which are 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 Canal Corporation 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 Canal Corporation Department determines in writing that the restrictions are not in the best interests of the Canal Corporation. Such originating Department shall obtain the approval of the applicable Department Head or equivalent(s), NYPA Vice President, SSM or equivalent(s) or designee, NYPA Assistant General Counsel or equivalent(s) and NYPA 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 Canal Corporation customers; and
 5. To meet the Canal Corporation 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 Canal Corporation 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 Canal Corporation 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 Canal Corporation 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 NYPA President and Chief Executive Officer, as well as the Chairman of the Canal Corporation Board.
- B. Pursuant to the provisions of New York Public Officers Law § 73(8):
 - 1. No Canal Corporation officer or employee is eligible, within a period of two years after the termination of Canal Corporation service to appear or practice before the Canal Corporation 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 Canal Corporation.
 - 2. No Canal Corporation officer or employee is eligible, at any time after the termination of Canal Corporation service, to appear, practice, communicate or otherwise render services before the Canal Corporation 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 Canal Corporation officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Canal Corporation, if, prior to engaging in such service, the Chairman of the Board of Directors 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 Canal Corporation 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 Canal Corporation employee who is involved in the award of Canal Corporation 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 Canal Corporation 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 Canal Corporation employee may take part in any contracting process or decision: (i) to a Relative; or (ii) to any entity in which the Canal Corporation employee or a Relative of such Canal Corporation 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 Canal Corporation strives to continue to foster the development of business opportunities on Canal Corporation 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 Canal Corporation 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 Canal's Corporation 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 Canal Corporation.
3. Maintain lists of qualified NYS-certified MWBEs, including professional firms that have expressed an interest in doing business with the Canal Corporation and ensuring that such lists are updated regularly. The Canal Corporation 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 Canal Corporation and for the utilization of MWBEs as subcontractors and suppliers by entities having Procurement Contracts with the Canal Corporation. Statewide numerical participation target goals shall be established by the Canal Corporation based on the criteria set forth in Public Authorities Law § 2879.
5. Conduct procurements in a manner that will enable the Canal Corporation 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 Canal's Corporation procurements.
6. Designate one or more senior staff of the Canal Corporation to oversee the Canal's Corporation programs established to promote and assist participation by and utilization of NYS-certified MWBEs.

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

The Canal Corporation also strives to foster the development of business opportunities for NYS-certified SDVOBs and to further increase participation by SDVOBs in Canal Corporation 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 Canal Corporation 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 Canal Corporation 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 Canal Corporation contracts.

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

The Canal Corporation (“Canals”) strives to foster the development of business opportunities for NYS certified DBEs and to further increase their participation in Canals Federally funded contracts. The Canals aims to solicit proposals from DBEs for procurements that will be partially or fully federally funded. The Canals 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 Canals is committed to promoting participation of DBEs in Canals 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 in the canals and waterways;
2. To create a level playing field on which DBEs can compete fairly for Federally funded contracts;
3. To ensure that the Canals’ 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 NYPA SSM Department or the Canal Corporation 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 may be transmitted to a digital warehouse for electronic storage and retrieval.

B. Procurement Report

After the end of each calendar year, the NYPA Vice President, SSM or equivalent(s) will prepare and submit an annual report to the Canal Corporation Board of Directors 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 Canal Corporation Board of Directors, 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 Canal Corporation 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 Canal Corporation decision not to award a bidder/contractor the Procurement Contract must be included in the Procurement Record.
2. The Canal Corporation 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 Canal Corporation 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 Canal Corporation's Budget Office through the Public Authorities Reporting Information System ("PARIS").

F. The NYPA Vice President, SSM 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 Canal Corporation 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.

Policy Title:

Guidelines for the Disposal of Canal Corporation Personal Property**Title: Guidelines for the Disposal of Canal Corporation Personal Property**

Document Type: Business Unit Policy

Revision Date: 12/1/18

Reviewer	Name	Title
This document has been reviewed by:	Allison Renstrom Shea Vincent P. Esposito, Jr.	Special Counsel Assistant General Counsel

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Policy Title:
Guidelines for the Disposal of Canal Corporation Personal Property

Guidelines for the Disposal of Canal Corporation Personal Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date	Revision #	Description/Modification	Revision Section (s)	Author
12/1/18	1	Added Definition of Discarded Property Added Personal Property Discarded by the Corporation Revised Violations Section	3 4.6 5	Kevin King Director Transactional Procurement
11/15/2018	0	Original Issue	N/A	Kevin King Director Transactional Procurement

Guidelines for the Disposal of Canal Corporation Personal Property

1 PURPOSE AND SCOPE

This Policy for the disposal of Canal Corporation (“Corporation”) Personal Property, (“Policy”) which complies with Title 5-A, Article 9 of the Public Authorities Law, establishes the Corporation’s Policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Policy designates a Contracting Officer who is responsible for the Corporation’s compliance with, and enforcement of, the Policy.

Powers and duties relating to the New York State Canal System, which were transferred to and merged with the New York Power Authority pursuant to Canal Law Article 1-A, may be exercised by the Authority directly or through the Corporation.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees, Initialisms (Acronyms) and Definitions

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Abandoned Motor Vehicles – a type of tangible Personal Property with special statutory and regulatory requirements for disposal and processing (see Section 5.2.A.).

Abandoned, Lost or Found Personal Property – Property that remains unclaimed after notification to an owner, if known, and/or after being held for the required holding periods as prescribed by law. This includes all lost or mislaid property found on Corporation property/premises, as well as property which is knowingly abandoned.

Authority – Power Authority of the State of New York

Contracting Officer – The Authority’s Vice President - Strategic Supply Management or his/her designee

Corporation – The Canal Corporation

Discarded Property – Personal Property of the Corporation, or other personal property that has come into the Corporation’s possession, that the Corporation has discarded, or designated to be discarded, as scrap or junk.

Disposals –The sale of Personal Property, the transfer of title or any beneficial interest in Personal Property in accordance with this Policy such as leases, and the exchange of Personal Property. Disposals do not include permits, licenses or temporary use documents that are otherwise revocable due to operational requirements or in the best interests of the Corporation.

Guidelines for the Disposal of Canal Corporation Personal Property

Consistent with prior Board action, permits do not convey or transfer a beneficial interest in the Personal Property.

Fair Market Value – 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.

PAL – Public Authorities Law

Personal Property – Property, other than Real Property, owned by the Corporation, 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. Property may include, but is not limited to, materials (Corporation warehouse controlled inventory and Corporation direct turnover materials), tools, equipment or vehicles.

Real Property – Real property, including land, tenements and inherited property owned by the Corporation, 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.

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 Subsection 9.E.1 of these Guidelines. The term Relative may include, but is not limited to, 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.

Transactions – For purposes of this Policy, transactions shall include, but not be limited to, disposals and the issuance of permits, licenses and other temporary use documents for the use of Personal Property.

4 POLICY IMPLEMENTATION

4.1 General Principles

The Corporation shall maintain adequate inventory controls and accountability systems for all Personal Property under its control.

Guidelines for the Disposal of Canal Corporation Personal Property

- A. Personal Property that is 1) encroaching on real property under the jurisdiction of the Corporation; or 2) located on real property under the jurisdiction of the Corporation that is: (a) not authorized by the applicable permit, license or lease; or (b) left behind following the expiration, revocation or termination of a permit, license or lease; shall be handled in accordance with this Policy, the terms and conditions of the lease, license or permit regarding the removal of such property, and/or the Canal Law, if applicable.
- B. The Corporation may dispose of any Personal Property not necessary for its corporate purposes in whatever timeframe that either the Contracting Officer or the Corporation Board deems appropriate.
- C. The Corporation may authorize the use of Corporation Personal Property by an entity for any period or term using a temporary, revocable permit, license or other document that does not transfer a beneficial interest in the Personal Property. Such temporary, revocable use is not considered a Disposal for purposes of this Policy.
- D. Personal Property shall not be disposed of by the Corporation for less than fair market value, except in limited circumstances as set forth in Paragraph E, sections 1, 2 and 3 of this Section. Fair Market Value may be determined through the use of appraisals, requests for proposals, the bid or auction process, or other means.
- E. No asset owned, leased or otherwise in the control of the Corporation with a value in excess of \$5,000 may be sold, leased, or otherwise alienated for less than its fair market value except if:
 - 1. 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 asset will remain with the government or any other public entity;
 - 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
 - 3. in the event the Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation 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 Corporation may effectuate such transfer.

Guidelines for the Disposal of Canal Corporation Personal Property

- F. In the event a below fair market value asset transfer is proposed, the following information must be provided by the Manager, Administrative Services as a trustee item for the Corporation Board at the next scheduled Trustee meeting and the public:
1. a full description of the asset;
 2. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Corporation Board;
 3. 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 asset is situated as are required by the transfer;
 4. a statement of the value to be received compared to the fair market value;
 5. the names of any private parties participating in the transfer, and if different than the statement required by Subparagraph (4) of this Paragraph, a statement of the value to the private party; and
 6. the names of any other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
- G. Before approving the disposal of any property for less than fair market value, the Corporation Board shall consider the information described in Paragraph F of this Section 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.
- H. The Corporation must use a competitive process as required by the PAL and any related statutes, including public advertising for Disposals exceeding \$15,000 in value, except in limited circumstances. In order to dispose of Personal Property by negotiation or public auction without public advertising, but subject to obtaining competition as is feasible under the circumstances, one of the following must be met:
1. the Personal 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 Personal Property is to be sold in such quantity that, if it were disposed of by public advertising, 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 can be obtained by negotiation;
 2. the fair market value of the property does not exceed \$15,000;
 3. bid prices after advertising are not reasonable, either as to all or some part of the Personal Property, or have not been independently arrived at in open competition;
 4. the Disposal will be to the State or any political subdivision, and the estimated fair market value of the Personal Property and other satisfactory terms of disposal are obtained by negotiation;
 5. under those circumstances permitted by Section 5.1 (Paragraphs E, F, and G) of this Policy; or
 6. the action is otherwise authorized by law.

Guidelines for the Disposal of Canal Corporation Personal Property

- I. For Personal Property valued at over \$15,000 disposed of by negotiation, an explanatory statement is required. Not less than 90 days in advance of the Disposal, an explanatory statement shall be prepared and distributed by the Contracting Officer in accordance with PAL § 2897, detailing the circumstances of the Disposal including, but not limited to, the proposed price.
- J. The Corporation shall create a clear and comprehensive record for each Transaction that documents its compliance with this Policy. Such record shall be maintained in a manner and for a period consistent with the applicable document retention policy.

4.2 General Practices

- A. Abandoned Motor Vehicles - The handling and disposal of Abandoned Motor Vehicles is statutorily covered under Vehicle and Traffic Law and not under this Policy.
- B. Abandoned, Lost or Found Personal Property

Abandoned, Lost or Found Personal Property with a value over the statutory limits must, within ten days after the finding or acquisition by Corporation employees or the Corporation's related agents (for example, contractor), be turned over to the New York State Police for processing and forwarding to the Bureau of Office and Building Maintenance Services ("Office Services") at headquarters in Albany. Office Services will return the property to the owner, if known; if the owner of the property is not immediately known, then the property must be held until the statutory holding period has run. At that time, if the property has not been claimed by the true owner or someone with verifiable ownership rights, then Office Services shall return the property to the known independent finder. If the original finder was a Corporation employee or one of its related agents as defined above, ownership then vests in the Corporation and may be treated as other Corporation owned property.

- C. Special Abandoned Personal Property
 - 1. Personal Property purposely left behind on Corporation property after termination of a previously issued permit, license or lease shall be handled, removed or disposed of under the terms of the permit, license or lease, or if required, pursuant to the applicable provisions of the Canal Law governing encroachments.
 - 2. Abandoned Personal Property originally issued by the Corporation such as unclaimed wages or benefits, or unclaimed consumer balances shall be held for the required holding times as prescribed by the Personal Property Law and Abandoned Property Law, at which time the property vests in the Corporation.
 - 3. Other Personal Property such as unclaimed bonds, dividends, interest, securities, etc. owed to security holders shall be held for the required statutory periods by the Corporation's properly delegated trustees or other fiduciaries.

Guidelines for the Disposal of Canal Corporation Personal Property

D. Surplus Personal Property

The Manager, Administrative Services or his or her designee will provide the Executive Deputy Director or his or her designee with information on all items of Personal Property declared surplus.

4.3 Disposal Process

The Manager, Administrative Services or his or her designee will prepare a list of all Personal Property to be disposed of and prepare an internal estimate of the value of such property.

A. The method of disposal shall be based on the following Personal Property values:

1. Personal Property valued at less than \$1,000 may be sold or donated, or when having an estimated resale value less than the cost of handling and sale may be disposed of as scrap or junk. The provisions of Section 5.6 will apply to such property.
2. Solicitation via telephone, email, 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 Corporation generated forms or an appropriate substitute and in the manner prescribed by this Policy and by the date and time included in the solicitation.
3. Personal Property valued in excess of \$5,000 up to and including \$15,000 may be negotiated or made by public auction without publicly advertising for bids when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1 (Paragraphs E and F).
4. Personal Property valued in excess of \$15,000 shall be offered for sale by a formal competitive process that includes public advertising for bids unless one of the exceptions listed in Section 5.1.E is met. If such an exception exists, disposal may be by negotiation or public auction without public advertising, when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1.G.

Note: For Personal Property valued in excess of \$15,000 disposed of by negotiation, an explanatory statement is required as described in Section 5.1.I.

B. When public advertising is required for disposals, the following steps must be taken pursuant to PAL § 2897:

1. The advertisement 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 Personal Property;
2. All bids shall be publicly disclosed at the time and place stated in the advertisement; and
3. The award shall be made with reasonable promptness by notice to the responsible bidder whose bid, in conformance with the solicitation, will be most advantageous to the Corporation, price and other factors considered, provided that any and all bids may be rejected when it is in the public interest to do so.

Guidelines for the Disposal of Canal Corporation Personal Property

- C. When property is sold by sealed bid, by public auction or by an electronic auction, sale prices are approved by the Manager, Administrative Services or his or her designee. If such person determines that property should be offered at an established or set price due to its unusual nature, or any other special conditions that would make competitive bidding impractical, Manager, Administrative Services or designee will recommend an acceptable price and a method of sale to the Contracting Officer for approval.
- D. If the Manager, Administrative Services or designee determines that the best interests of the Corporation are served by selling at public auction, the Manager, Administrative Services) or designee shall supervise the auction and may reject any and all bids considered to be unacceptable.
- E. Where permitted by law, Disposals may be performed by the Commissioner of General Services on behalf of the Corporation when the Corporation has entered into an agreement with the Commissioner of General Services pursuant to PAL and/or other applicable statutes.

4.4 Reports

The Corporation will annually develop and distribute reports regarding Personal Property having a Fair Market Value 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 Personal Property disposed of by the Corporation during such period as required by law. The report shall be delivered to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services, the New York Legislature and the Authorities Budget Office.

4.5 Procurement of Surplus Personal Property by Employees

Corporation employees and relatives of such employees or third parties acting on behalf of such employees shall not have any personal interest in, or engage in, any activity, inclusive of bidding for the purchase of Canal Property that would create or appear to create a conflict with the proper discharge of their public duties and are prohibited from subsequently acquiring in any manner. It is important, even in the absence of any impropriety, that no appearance of impropriety is given. Therefore, pursuant to the Public Officers Law, all Corporation employees, their spouses and any children and stepchildren under age 18, stepparents, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, nephew, niece, mother in law, father in law, sister in law, brother in law, daughter in law, son in law are prohibited from procuring Corporation Surplus Personal Property or otherwise securing such property through the use of an agent or other third party.

In addition, Corporation employees, other than the Manager, Administrative Services or designee, shall not disclose to any non-employee any information that they obtain regarding such property due to the nature of their employment. Such disclosure by the Manager, Administrative Services or designee shall only be made in the course of the proper discharge of their official duties.

Guidelines for the Disposal of Canal Corporation Personal Property

4.6 Personal Property Discarded by the Corporation

Corporation employees shall not, without written permission of the Executive Deputy Director: (1) retrieve or otherwise take possession of Discarded Property for their own use or for the use of other persons, even for purposes of donation; (2) give Discarded Property to other persons; or (3) sell Discarded Property. Any permissions granted pursuant to this section will be retained by the Manager, Administrative Services.

4.7 Signing Authority

1. The Board, if the Fair Market Value of the Property is greater than \$500,000 or if the Disposal is for less than Fair Market Value in accordance with Section 5 (paragraphs F and G).
2. The Contracting Officer if the Fair Market Value is up to \$500,000.00.
3. The Executive Deputy Director if the Fair Market Value is up to \$100,000.00.
4. The Manager, Administrative Services if the Fair market Value of the Property is \$5,000 or less.
5. For Fleet related transactions, the Vice President of the Authority's Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000.
6. For Fleet related transactions, the Director of the Authority's Fleet Operation, if the Fair Market Value of the Property is up to \$100,000.

- 4.8 At the request of the Executive Vice President and General Counsel, all Authority Business Units and Department Heads shall support and provide assistance in the coordination and administration of this Policy.

5 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

6 REFERENCES

Abandoned Property Law
Canal Law
Personal Property Law
Public Authorities Law
Vehicle and Traffic Law

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 Year

Guidelines for the Disposal of Canal Corporation Personal Property

9 ATTACHMENTS

Attachment 9.1: Sales Agreement

ATTACHMENT 9.1**PERSONAL PROPERTY
SALES AGREEMENT**

_____, the Buyer, and the New York State Canal Corp ("Canal Corp"), agree as follows:

1) The personal property identified herein is sold by the Canal Corp and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.

2) THE CANAL CORP 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 Canal Corp employee, is not related to a Canal Corp employee and did not bid on behalf of a Canal Corp employee. Buyer is aware that Canal Corp 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 Canal Corp 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 State of New York, New York Power Authority and the Canal Corp 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 State of New York, New York Power Authority and the Canal Corp 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.

Policy Title:
**Guidelines for the Disposal of Canal
Corporation Personal Property**

5) Except for disposals by public auction, the Buyer shall remove the personal property from the Canal Corp premises by _____ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York State Canal Corporation.

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20_____.

Buyer (Print or Type):

Seller:

New York State Canal Corporation
30 South Pearl Street
Albany, New York,

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 CANAL CORPORATION PROPERTY.

Guidelines for the Disposal of Canal Corporation Personal 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 New York State Canal Corporation in the sale of Canal Corp 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 Canal Corp.

This information will be maintained by the Procurement Department at the New York State Canal Corp Corporate Office.

NEW YORK STATE CANAL CORPORATION **EXPENDITURE AUTHORIZATION PROCEDURES**

1. Purpose

These Expenditure Authorization Procedures (“EAPs”) set forth the policy of the Canal Corporation 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 Canal Corporation’s Guidelines for Procurement Contracts (“Procurement Guidelines”).

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 Canal Corporation 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 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 the Canal Corporation) 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 Canal Corporation, 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.
- G. **“Sole Source”** refers to a procurement in which only one offeror 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. All Single / Sole Source or Non-competitive award required written justification and approval by the VP, SSM at a minimum (also refer to the Guidelines for Procurement Contracts Sections 3.H. N., and O.)

New York State Canal Corporation Expenditure Authorization Procedures

Approval Limits Applicable to Requisitions (Awards or Committed Funding) for Procurement and Non-Procurement Contracts Excluding Personal Services Contracts

Title	Low Bidder or Best Value ⁽¹⁾	Non-competitive, Sole or Single Source ⁽³⁾	Cumulative Change Order Limit ⁽²⁾ (Subject to Rebidding Thresholds, see page 5)
Director of: Design, Construction Management, Technical Services, Policy & Program Development Manager of: Dam Safety*, Marine Infrastructure*	to \$1,000,000	to \$500,000	to \$250,000
Manager Planning & Environmental Services*, Manager Administrative Services, Division Canal Engineer Civil Engineer 5	to \$2,000,000	to \$750,000	to \$500,000
Deputy Director Engineering, Construction & Maintenance, Executive Deputy Director, Chief of Staff	to \$3,000,000	to \$750,000	to \$500,000
Canal Corporation Chief Operating Officer	to \$6,000,000	to \$6,000,000	to \$6,000,000
Canal Board ⁽⁴⁾	over \$6,000,000	over \$6,000,000	over \$6,000,000

* Titles are Shared Service equivalent titles

Notes:

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. Cumulative Change Order limits apply when the original authorized amount of a value contract or Purchase Order has been exceeded. The original authorized aggregate approved value applied when there are multiple contract awards.
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 or which change the overall value of a contract to \$1 million or greater require NYS Comptroller notification.
4. Canal Corporation Board 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.

New York State Canal Corporation Expenditure Authorization Procedures

Approval Limits for Personal Service Contracts

Title	Low Bidder or Best Value ⁽¹⁾	Non-competitive, Sole or Single Source	Cumulative Change Order Limit ⁽²⁾ (Subject to Rebidding Thresholds, see page 5)
Director of: Design, Construction Management, Technical Services, Policy & Program Development Manager of: Dam Safety*, Marine Infrastructure*	to \$100,000	to \$50,000	to \$50,000
Manager Planning & Environmental Services*, Manager Administrative Services, Division Canal Engineer Civil Engineer 5	to \$200,000	to \$100,000	to \$50,000
Deputy Director Engineering, Construction & Maintenance, Executive Deputy Director, Chief of Staff	to \$500,000	to \$250,000	to \$125,000
Canal Corporation Chief Operating Officer	to \$2,000,000	to \$1,000,000	to \$500,000
Canal Board	over \$2,000,000	over \$1,000,000	over \$500,000

* Titles noted are Shared Service Equivalent titles

Notes:

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. Cumulative Change Order limits apply when the original authorized amount of a value contract or Purchase Order has been exceeded. The original authorized aggregate approved value applied when there are multiple contract awards.
3. Canal Corporation Board 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

New York State Canal Corporation Expenditure Authorization Procedures

Limits for the Execution of Contract Documents ⁽¹⁾ (Includes all Purchase Orders, Contracts and Change Orders)

Procurement Team Specialist or Shared Service Equivalent (Below Grade 18)	to \$5,000
Senior Procurement Team Specialist or Shared Service Equivalent (Grade 18)	to \$50,000
Procurement Team Manager or Shared Service Equivalent (Grade 23 thru 25)	to \$250,000
Manager Administrative Services	to \$500,000
Executive Deputy Director/ Chief of Staff	to \$750,000
NYPA VP - Enterprise Shared Services (Real Estate and Fleet Disposal Transactions only)	to \$3,000,000
Canal Corporation Chief Operating Officer	to \$10,000,000
NYPA VP – Strategic Supply Management (Procurement)	to \$20,000,000
NYPA President, Chairman or Chief Operating Officer	over \$20,000,000

Notes:

(1) All delegations of authority must be in writing.

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 original amount approved. The memorandum shall be approved in accordance with the cumulative change order limits set forth on Pages 2 and 3 and forwarded to the NYPA VP, Strategic Supply Management (SSM) 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.
3. 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 original amount approved. The memorandum shall be approved in accordance with the cumulative change order limits set forth on Pages 2 and 3 and forwarded to the NYPA VP, SSM for review and approval. Cumulative change orders exceeding 25% of the original contract amount or exceeding \$500K for personal services contracts or exceeding \$6 million for procurement and non-procurement contracts (whichever is greater), require Trustee approval. The memorandum shall be signed in accordance with the cumulative change order limits set forth on Pages 2 and 3 and forwarded to the NYPA VP, SSM for review, followed by transmittal to the NYPA President, Chairman or Canal Corporation Chief Operating Officer for approval, prior to obtaining the Canal Board's approval. 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 such additional funding is received, any subsequent increase in funding requires an additional memorandum for the Canal Corporation Chief Operating Officer's approval, until either the Canal Board's approval is obtained or the Contract is rebid.
5. Typical bases for additional funding include an "emergency condition" (as defined in Canal Corporation 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 Canal Corporation Guidelines for Procurement Contracts. Under-estimating the scope of a Contract or failure to rebid in a timely fashion are not acceptable reasons for increased funding.

ACQUISITION AND DISPOSAL OF REAL PROPERTY **January 1– December 31, 2018**

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, 2018.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

Alan H. Nye and Nancy B.B. Meyer-Nye – Acquired a Permanent Easement jointly with Rochester Gas & Electric from Alan H. Nye and Nancy B.B. Meyer-Nye for the purpose of providing alternate access to the right of way in conjunction with the Rochester Area Reliability Project in the Town of Chili, Monroe County. The easement was recorded on March 23, 2018 in Liber 12000 Page 554 of deeds.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 53 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:

Paul and Lucille Izzo - Conveyance of 4.8 acres of surplus land (Parcel No. 524) in the Town of Gilboa, Schoharie County to Paul and Lucille Izzo on January 8, 2018. The consideration was \$10,000. This transaction was authorized by the Authority's Board of Trustees in their July 2017 meeting. The deed was recorded on January 8, 2018.

Grant of Easement to the Town of Waddington – Granted non-exclusive permanent access road easements over and across certain lands located in the Town of Waddington,

St. Lawrence County to the Town of Waddington (Map No. 146-C, Parcel No.'s 2880-a-f). The easements are comprised of approximately 6.0 acres of landlocked Authority land and enable the Town of Waddington to facilitate future development. The easements were approved by Authority's Board of Trustees at their July 2017 meeting and recorded on March 15, 2018.

Disposal of Surplus Land to City of New York – During this reporting period Authority conveyed 117 acres of surplus land to New York City Department of Environmental Protection in the Town of Prattsville, Greene County. The consideration for this transaction was \$293,740.00 and the deed was recorded on May 16, 2018 as Instrument Number D2018-1095. This transaction was approved by Authority's Board of Trustees at their January 2017 meeting.

Grant of Easement to Niagara Mohawk Power Corporation, Verizon New York Incorporated, and Charter Communications – Granted an easement to bring utilities to Authority's Emergency Energy Control Center in New Hartford, New York on September 11, 2018. There was no consideration for this transaction.

Tabitha M. Deon and Jamar M. Tyson- Conveyed 0.16 acres of surplus land (Parcel No. 3293) in the Town of Niagara, County of Niagara to Tabitha M. Deon and Jamar M. Tyson on October 24, 2018. The consideration was \$2,750.00.

III. MISCELLANEOUS TRANSACTIONS

City of New York- During this reporting period Authority executed a Termination and Release of Easement to the City of New York, acting by and through its Department of Environmental Protection for three easements in the Town of Mount Pleasant, County of Westchester (Map No. 1, Parcel No. 1; Map No.2, Parcel No. 2; Map No. 3, Parcel No. 3). The three easements were originally for access and operation of the now ceased Kensico Hydroelectric Power Plant. The Termination and Release of Easement was recorded on January 22, 2018.

WeWork – On March 29, 2018, Authority amended its WeWork Membership Agreement for office space at 575 5th Avenue in New York City to extend the term for a two-year membership agreement expiring April 30, 2020. This transaction was approved by the Board of Trustee's at the March 2018 Trustee meeting.

Kellman and Braunstein- During this reporting period, Attorneys Nancy D. Kellman and Lawrence Jay Braunstein, Esq. terminated their permit for use of office space on the 17th floor of Authority's 123 Main Street building in White Plains, New York. The lease terminated on June 1, 2018.

Great Lakes Towing Company- During this reporting period, NYPA entered into a three-year license agreement with the Great Lakes Towing Company re-authorizing said firm to utilize dock space on Authority property in the City of Buffalo for mooring two tugboats. The License commenced November 1, 2018 and expires October 31, 2021 and

includes an additional three-year option term. The monthly payment for the fixed term is \$811.13.

Crown Atlantic Company LLC - On September 28, 2018, Authority entered into a Tower Site License Agreement for the installation of communications equipment at Crown's Downsville, New York Tower site. The term of this agreement is for five years, commencing December 1, 2018 and expiring November 31, 2023.

IV. LEASING

1) Landlord Leases:

St. Lawrence County- Municipal Leases- During this reporting period, Authority entered into new leases for recreational facilities in St. Lawrence County in fulfillment of the Recreational Plan appended to the 2003 renewal of the Federal Energy Regulatory Commission ("FERC") license for operation of the St. Lawrence-FDR Power Project. The Authority has leased the premises to the municipalities in support of FERC license requirements since the initial construction and licensing of the St. Lawrence Power Project in the late 1950's and early 1960's. The lease renewals were approved by Authority's Board of Trustees at their May 2017 meeting. Authority entered into the following new leases for the facilities, each for no consideration and with 20-year terms:

- I. Lessor: New York Power Authority (NYPA)
Lessee: Village of Waddington
This lease is for the operation of a public park in the Village of Waddington, St. Lawrence County. This lease was entered into on June 22, 2018.
- II. Lessor: New York Power Authority (NYPA)
Lessee: Village of Waddington
This lease is for the use of approximately 38 boat slips for the operation of a public boat mooring facility in the Village of Waddington, St. Lawrence County. This lease was entered into on June 22, 2018.
- III. Lessor: New York Power Authority (NYPA)
Lessee: Town of Waddington
This lease is for the operation of a public beach in the Town of Waddington, St. Lawrence County. This lease was entered into on April 12, 2018.
- IV. Lessor: New York Power Authority (NYPA)
Lessee: Town of Massena
This lease is for the operation of a public beach in the Town of Massena, St. Lawrence County. This lease was entered into on June 4, 2018.

AssuredPartners Northeast, LLC- On May 25, 2018 AssuredPartners Northeast, LLC (successor-in-interest to Assured SKCG, Inc.) executed a first amendment of Lease for

the addition of 3,000 square feet of office space on the 14th floor of Authority's 123 Main Street building in White Plains, New York.

Massena Country Club – During this reporting period the Real Estate Department entered into a lease agreement with the Massena Country Club, for approximately 201 acres of land located in the Town of Louisville, County of St. Lawrence for the operation and maintenance of an existing golf course facility. The initial annual rent is \$2,000.00 and the lease carries a ten year term. The Board of Trustees approved this lease at their May 2017 meeting.

Hodogaya Chemical (U.S.A.) Inc. – During this reporting period the Real Estate Department entered into a sixth amendment of lease with Hodogaya Chemical, to reflect a reduction in square footage due to renovations on the 9th floor of Authority's 123 Main Street Building in White Plains, New York. The amendment was executed on October 25, 2018 and will expire on July 31, 2020.

2) Tenant Leases:

Griffon Riverfront, Inc. - On March 26, 2018, the Real Estate Department entered into a new lease with Griffon Riverfront Park, Inc. for the lease of a portion of their property to continue to serve as the site for a water gauging station in the City of Niagara Falls. The authority has leased this site since 2002. The existing lease expired in 2017. The term of the new lease is five years, with two successive 5-year options, at a yearly fee of \$4,800.00.

Seaway Timber Harvesting, Inc. – On August 20, 2018, the Real Estate Department entered into a lease with Seaway Timber Harvesting, Inc. for the lease of a warehouse building in Massena, New York. The Authority has leased the premises since 2001. The existing lease was set to expire on August 31, 2018. The lease term is five years with an expiration date August 31, 2023 and a four year extension option. The annual rent is \$53,000.00.

Iskalo Electric Tower Master Tenant LLC- On November 13, 2018 Authority entered into an amendment of an existing lease for office space in the Electric Tower Building, in Buffalo, New York for 574ft² of additional office space. The lease was also extended to March 31, 2024. An approval memo was executed for this transaction on September 28, 2018.

ATC Managed Sites LLC - On October 24, 2018, Authority entered into a fifth amendment to an existing Antenna Site Lease Agreement. This amendment allows Authority to install additional equipment at the Site located in Buffalo, New York.

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
1146C	8379	Lawrence W. Thomas	0.87	\$6,100.00	4-30-2018	Waddington
1146C	8380	Lawrence W. Thomas	0.40	\$2,000.00	4-30-2018	Waddington
1158C	8381	Lawrence W. Thomas	0.21	\$100.00	4-30-2018	Waddington
1158C	8382	Lawrence W. Thomas	0.42	\$2,000.00	4-30-2018	Waddington
1132C	8583	The Town of Louisville	0.71	\$85,000.00	5-31-2018	Louisville
1148C	8375	Gilbert E. and Janet M. Simons	0.15	\$2,250.00	6-13-2018	Waddington
1173C	8577	Patricia P. Tyo and Jeffery W. Tyo, as Co-Trustees of the Jeffery W. Tyo Family Benefit Trust dated December 27, 2007	0.41	\$8,200.00	7-26-2018	Louisville

During this period 7 deeds were finalized and recorded in the County Clerk's office. To date, 535 of the 599 acres have been conveyed, comprising approximately 490 of the 520 parcels originally included in this program. The remaining parcels in this program have been offered to the respective municipalities. The Town of Louisville indicated interest in the acquisition of Map No. 1132C, Parcel 8583. There was no consideration for this transaction.

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

REAL PROPERTY

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**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

ACQUISITION OF REAL PROPERTY

BY THE NEW YORK POWER AUTHORITY

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**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.

2018 ACQUISITION AND DISPOSAL OF REAL PROPERTY

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Corporation 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 Corporation and the name of the purchaser. There is no monetary threshold, so all disposals regardless of value need to be reported. In addition, acquisitions, leasing transactions, and transfers of jurisdiction are also included in this report. All acquisitions and dispositions reported herein were approved by the Board of Directors/or are consistent with the Corporation's Guidelines for the Disposal of Canal Corporation Real Property and the Guidelines for the Acquisition of Canal Corporation Real Property as adopted by the Board on March 20, 2018.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

John M. Fitzak - Acquisition of a 20-foot wide access easement over approximately 0.15 acres in the Village of Albion, County of Orleans in support of the Albion Waste Weir Rehabilitation Project. The consideration for this transaction was \$4,000.00. The permanent easement was acquired on April 27, 2018.

Walker Farms, LLC – Acquisition of 1.21 acres (2 parcels) located in the Town of Fort Ann in fee for the construction of a segment of the Canalway Trail along the Champlain Canal. The consideration paid for the two parcels was \$4,750. The parcels were acquired in fee on August 17, 2018.

Nancy Graham – Acquisition of 0.73 acre located in the Town of Kingsbury in fee for the construction of a segment of the Canalway Trail along the Champlain Canal. The consideration paid was \$1,100. The parcel was acquired on August 17, 2018.

Allan McCarty – Acquisition of 1.517 acres located in the Town of Kingsbury for the construction of a segment of the Canalway Trail along the Champlain Canal. The consideration paid for the parcel was \$2,300. The parcel was acquired on August 17, 2018.

Town of Kingsbury – Acquisition of approximately 2,290 square feet of land located in the Town of Kingsbury for the construction of a segment of Canalway Trail along the Champlain Canal. The parcel was acquired for no consideration on July 27, 2018.

Mary Hurley – Acquisition of 0.136 acre located in the Town of Kingsbury in fee for the construction of a segment of the Canalway Trail along the Champlain Canal. The parcel was acquired on July 27, 2018 for \$500.

Frank Perkins – Acquisition of 0.462 acre located in the Town of Fort Ann in fee for the construction of a segment of the Canalway Trail along the Champlain Canal. The parcel was purchased for \$1,760 on December 17, 2018.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

David and Diane Kaiser – Conveyed via quit claim deed 0.89 acres of canal land located in the Town of Ohio, Herkimer County (Abandonment Map No. 959). This conveyance was consummated pursuant to authorization granted by the Board of Directors at its meeting held on August 31, 2015. The property was sold on January 26, 2018, subject to a flowage easement, for \$40,000 to cure an encroachment of a camp and out-building located thereon.

Thomas Pirro – Conveyed via quit claim deed 3.95 acres of canal land located in the Town of Hastings, Oswego County (Abandonment Map No. 962). This conveyance was authorized by the Board of Directors at its meeting held on November 7, 2016. The property was a vacant waterfront parcel that was offered at public auction held on August 8, 2017. The property was sold on April 13, 2018, subject to a flowage easement for \$26,101.

Utica Harbor Point Redevelopment Corporation (UHPRC)- Conveyed via quit claim deed 16.45 acres of canal land located in the City of Utica, Oneida County (Abandonment Map No. 952). This conveyance was for a portion of the Canal Corporation's approximately 38-acre Utica Harbor property holdings that was authorized by Chapter 371 of the Laws of 2008 to be transferred to the UHPRC so it can be used to, among other things, expand the local economy, tourism, and recreational related industry. The property, as required by the law, was conveyed for no monetary consideration on July 5, 2018.

Village of Watkins Glen- Village of Watkins Glen- Conveyance by quit claim deed 8.56 acres of canal land located in the Village of Watkins Glen, Schuyler County (Abandonment Map No. 976). This conveyance was authorized by the Board of Director's at its meeting held on July 25, 2017. The property was sold on November 1, 2018, subject to: (i) an access easement over a portion of the Property; and (ii) a flowage easement for \$40,000. The property was sold to facilitate a new waste water treatment facility to serve the Village of Watkins Glen and the Town of Montour Falls.

City of Utica – Conveyed by quit claim deed 0.97 acre of canal land located in the City of Utica, Oneida County (Abandonment Map No. 977). This conveyance was authorized by the Board of Director's at its meeting held on July 25, 2017. The property was sold on June 18, 2018 for \$50,000, subject to an access easement to cure an encroachment of a City-owned building and other improvements located on the property.

Robert Michaels – Conveyance by quit claim deed approximately 0.10 acre of canal land located in the Village of Pittsford, Monroe County (Abandonment Map No. 983). This sale was authorized by the Board of Director's at its December 12, 2017 meeting. The property was sold on March 30, 2018 for \$10,900 to cure a hardship due to a minor building encroachment.

Town of Halfmoon – Conveyance by quit claim deed 8.61 acres of canal land located in the Town of Halfmoon, Saratoga County (Abandonment Map No. 965). This below market value conveyance was authorized by Resolution No. 642, adopted by the Board at its meeting held on November 9, 2015. The property was conveyed to the Town on January 24, 2018 to be further developed into a segment of a public trail system.

2.) Disposition by Transfer of Jurisdiction

NYS Department of Environmental Conservation (NYSDEC) – Transfer of jurisdiction of approximately 370 acres of canal land improved with the Sand Lake Canal Reservoir located in the Town of Webb, Herkimer County (Abandonment Map No. 985). This abandonment of land for canal purposes and transfer of same to the NYSDEC was authorized by the Board of Director's at its July 25, 2017 meeting. In accord with the Canal Law, the NYSDEC must be provided notice of any canal lands located inside the Adirondack Park that are to be disposed. The NYSDEC is afforded a right of first refusal and can request the subject lands to be transferred into its jurisdiction. By letter dated September 20, 2017, the NYSDEC notified the Canal Corporation that the property was suitable for transfer to be managed as additional State Forest Preserve Lands. The transfer was completed on June 19, 2018.

NYS Department of Environmental Conservation – Transfer of jurisdiction of approximately 350 acres of canal land containing the Canachagala Lake Canal Reservoir located in the Towns of Webb and Ohio, Herkimer County (Abandonment Map No. 984). This abandonment of land for canal purposes and transfer of same to the NYSDEC was authorized by the Board of Director's at its July 25, 2017 meeting. In accord with the Canal Law, the NYSDEC must be provided notice of any canal lands located inside the Adirondack Park that are to be disposed. The NYSDEC is afforded a right of first refusal and can request the subject lands to be transferred into its jurisdiction. By letter dated September 20, 2017, the NYSDEC notified the Canal Corporation that the property was suitable for transfer which was completed on June 19, 2018.

3.) Disposition by Lease

Hanson Aggregates New York LLC – Lease renewal of a new five (5) year term over approximately 4.9 acres of canal land located in the Village of Medina, Orleans County. This conveyance was authorized by the Board on October 22, 1998. This lease provides for the Lessee to maintain a ready-mix concrete plant on the premises which has existed since 1948. The annual rent for this lease renewal, dated April 20, 2018, is \$8,544.

Clifton Park Water Authority - Lease renewal of a new ten (10) year term over approximately 680 acres of canal land located in the Town of Clifton Park, Saratoga County. This conveyance was authorized by the Board of Directors at its meeting held on April 24, 1997. This lease provides for the Lessee to construct and maintain up to seven (7) wells and associated transmission pipelines in, on and over the property in order to pump up to 5,000,000 gallons of water a day to supply 27,000 residents with municipal water. The property also serves as the Vishers Ferry Nature and Historic Preserve. The base rent for the lease renewal, dated February 19, 2018, is based on the number of gallons of raw water pumped and other factors and is \$57,670 per year.

Document Title:

Guidelines for the Disposal of Canal Corporation Real Property

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March 26, 2019

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Guidelines for the Disposal of Canal Corporation Real Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	1	Conversion to new Canal document template	All	Allison Renstrom Shea Special Counsel



Document Title:
**Guidelines for the Disposal of Canal
Corporation Real Property**

**Exhibit 2e ii – B
March 26, 2019**

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Guidelines for the Disposal of Canal Corporation Real Property

1 PURPOSE AND SCOPE

The purpose of these Guidelines 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 Canal Corporation’s (“Corporation”) policy and instructions regarding the disposal of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Corporation’s compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority (“Power Authority”) pursuant to Canal Law Section 5, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees who intend to Dispose of Real Property owned by or under the jurisdiction of the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Contracting Officer - shall mean the officer or employee appointed by resolution of the Corporation’s Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the Disposal of Real Property. The “Contracting Officer” is hereby designated to be the Power Authority Vice President – Enterprise Shared Services, or equivalent(s) or designee.

Corporation – Canal Corporation

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.

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.

OGS – NYS Office of General Services

PAL – Public Authorities Law

Guidelines for the Disposal of Canal Corporation Real Property

Permits - shall mean permits issued by the Corporation that grant revocable privileges to use or access real property or structures under the jurisdiction of the Corporation and for the diversion of Canal waters for sanitary, farm or industrial purposes. Permits are revocable in part to assure availability of the real property for Corporation or public purposes. Permits do not transfer a beneficial interest in real property and may be issued when deemed to be advantageous to the Corporation for the purpose of cutting, gathering and hauling away ice from the canals or when the permitted use does not result in a detriment to canal navigation or damage to the banks or other structures thereof. Permits include Occupancy and Work Permits.

- a) **Occupancy Permit** - a revocable instrument that authorizes the temporary, restricted use of real property under the jurisdiction of the Corporation, including, temporary use of Canal lands or structures, and for the diversion of Canal waters for sanitary, farm or industrial purposes.
- b) **Work Permit** - a revocable instrument that authorizes construction, maintenance, inspection, survey, or other type of work or short term activity on real property under the jurisdiction of the Corporation.

Real Property - shall mean real property, including land, tenements and hereditaments owned by the Corporation, 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.

Relative - shall mean any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant.

Transfers of Jurisdiction - shall mean transactions pursuant to Public Lands Law §3(4) and which are between the Corporation and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Corporation 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.

4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Disposal of Canal Corporation Real Property regarding the use, awarding, monitoring and reporting of contracts for the disposal of Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.

Guidelines for the Disposal of Canal Corporation Real Property

5 PROCEDURE IMPLEMENTATION

5.1 COMPLIANCE OVERVIEW

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

- 5.1.1 Ensure that the Corporation’s contracting activities comply with Title 5-A, Article 9 of the Public Authorities Law, the Corporation’s enabling statute, and any other applicable law pertaining to the Disposal of Real Property.
- 5.1.2 Maintain inventory controls and accountability systems for all Real Property under the Corporation’s control.
- 5.1.3 Periodically inventory Corporation Real Property to determine which Real Property shall be disposed of.
- 5.1.4 Dispose of Corporation Real Property interests as promptly as possible in accordance with the PAL.
- 5.1.5 Prepare annual reports of Real Property Disposal transactions.

5.2 DISPOSITION OF CORPORATION REAL PROPERTY

- 5.2.1 The Corporation 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 Corporation 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.
- 5.2.2 Except as set forth in Sections 5.2.3 and 5.2.4 herein of the Guidelines, any Disposal of Real Property shall only be made after publicly advertising for bids in accordance with the following:

Guidelines for the Disposal of Canal Corporation Real Property

- a) 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; and
- b) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
- c) 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 Corporation, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

5.2.3 The Disposal of Corporation Real Property by Negotiation or Public Auction

- a) The Disposal of Corporation Real Property may be negotiated or made by public auction without regard to Section 5.2.2 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 5.2.4; or
 - 5. such action is otherwise authorized by law.
- b) The Disposal of Corporation Real Property may also be made by negotiated sale without regard to Section 5.2.2 but subject to obtaining such competition as is feasible under the circumstances, if ALL of the following conditions have been satisfied:
 - 1. the Corporation has determined that: such real property is no longer necessary or useful to the purposes of the Corporation; disposal of such real property complies with all applicable provisions of the canal law; and disposal of such real property is in the best interest of the Corporation; and
 - 2. an appraisal of the fair market value of such property has been made by an independent appraiser and included in the record of the transaction; and

Guidelines for the Disposal of Canal Corporation Real Property

3. the fair market value of such real property is greater than fifteen thousand dollars (\$15,000.00) but not greater than seventy-five thousand dollars (\$75,000.00); and
4. such real property was improved prior to April 1, 1992 under a municipal permit or a permit issued pursuant to Section 100 of the Canal Law, thereby creating an encroachment on Corporation Real Property; and
5. the purchaser of such Real Property is, or will be, the owner of the improvement that either fully or partially encroaches on Corporation real property; and
6. the consideration paid for such real property will not be less than the fair market value of the real property exclusive of the value, fair market or otherwise, of the encroaching improvements.

5.2.4 Below Fair Market Value

- a) No Real Property owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its Fair Market Value except if:
 1. 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; or
 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
 3. in the event the Corporation 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 Corporation's mission, purpose or governing statutes, the Corporation 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 Corporation may effectuate such transfer.
- b) In the event a below Fair Market Value Real Property transfer is proposed, the following information must be provided to the Corporation's Board of Trustees and the public:
 1. a full description of the Real Property; and

Guidelines for the Disposal of Canal Corporation Real Property

2. an appraisal of the Fair Market Value of the Real Property and any other information establishing the Fair Market Value sought by the Corporation's Board of Trustees; and
 3. 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; and
 4. a statement of the value to be received compared to the Fair Market Value; and
 5. 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
 6. 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.
- d) Before approving the Disposal of any Real Property for less than Fair Market Value, the Corporation's Board of Trustees shall consider the information described in Paragraph 5.2.4.b 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.
- 5.2.5 An explanatory statement detailing the Disposal by negotiation of Corporation Real Property subject to the PAL as set forth in Section 5.2.3.a shall be made for any Disposal of:
- a) 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 Paragraph 5.2.5.b of this Section 5.2.5; or
 - b) 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); or
 - c) 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.
- 5.2.6 Each explanatory statement prepared in accordance with Section 5.2.5 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

Guidelines for the Disposal of Canal Corporation Real Property

Budget Office not less than 90 days in advance of such Disposal, and a copy shall be kept by the Corporation.

- 5.2.7 In the Corporation's discretion, when it shall be deemed advantageous to the Corporation and the State, the Corporation may enter into an agreement with the Office of the Commissioner of the Office of General Services ("OGS") under which OGS may Dispose of the Corporation's Real Property under terms and conditions agreed to by the Corporation and the OGS. In Disposing of any such Real Property of the Corporation, the OGS shall be bound by the relevant provisions of the PAL.
- 5.2.8 No Corporation employee who is involved in the award of Corporation 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.
- 5.2.9 No Corporation 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 5.2.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.2.10 No Corporation 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.
- 5.2.11 Public Authority Contracts
- a) 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.
 - b) 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.

Guidelines for the Disposal of Canal Corporation Real Property

- c) If the OSC has previously identified a contract or category of contract as “reviewable” (“Reviewable Contract”), such 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.

5.3 CORPORATION REAL PROPERTY REPORTS

- 5.3.1 The Corporation shall publish the following reports in accordance with these Guidelines:
 - a) Pursuant to Section 2800 of the Public Authorities Law, the Corporation shall furnish a report for incorporation in the Corporation’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 Corporation 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 Power 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.
 - b) Pursuant to Public Authorities Law § 2896(3), the Corporation 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 Corporation, 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 Corporation and the name of the purchaser of the Real Property.
- 5.3.2 The Corporation 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.

Guidelines for the Disposal of Canal Corporation Real Property

- 5.3.3 The Canal Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Disposal of Real Property.

5.4 APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD

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

6 VIOLATIONS

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Canal Law
Public Authorities Law

8 PROCEDURE 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 Year

9 ATTACHMENTS

N/A



Document Title:

Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

Exhibit 2e ii – C
March 26, 2019

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Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
6/6/2017	1	Conversion to new Canal document template	All	Allison Renstrom Shea Special Counsel



Document Title:

**Guidelines and Procedures for the
Acquisition of Real Property by the Canal
Corporation**

**Exhibit 2e ii – C
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Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

1 PURPOSE AND SCOPE

These Guidelines 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 Canal Corporation’s (“Corporation”) policy and instructions regarding the acquisition of real property. In addition, the Guidelines designate a contracting officer who is responsible for the Corporation’s compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority of the State of New York (“Power Authority”) pursuant to Section 5 of the Canal Law, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

These Guidelines apply to all New York State Canal Corporation employees who intend to Acquire Real Property for the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Contracting Officer - shall mean the officer or employee appointed by resolution of the Corporation’s Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Power Authority Vice President - Enterprise Shared Services, or the equivalent(s), or designee.

Corporation – Canal Corporation

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.

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.

OSC – Office of the State Comptroller

PAL – Public Authorities Law

PARIS – Public Authorities Reporting System

Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

Real Property – shall mean real property, including land, tenements and hereditaments owned by the Corporation, 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.

Relative – is any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant, as referred to in Article 5 of these Guidelines.

4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Acquisition of Canal Corporation Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.

5 PROCEDURE IMPLEMENTATION

5.1 COMPLIANCE OVERVIEW

5.1.1 These Guidelines are being adopted consistent with the Public Authorities Law ("PAL").

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

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

5.2 DUTIES OF THE CORPORATION

5.2.1 The Corporation will maintain adequate inventory controls and accountability systems for all Real Property under the Corporation's control.

5.2.2 Real Property to be Acquired by the Corporation will be in support of existing facilities, operations or in support of new initiatives being pursued by the Corporation.

Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

- 5.2.3 The compensation for and the procedure for such Acquisition must be consistent with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures as amended.
- 5.2.4 The Corporation will arrange for the transfer or Acquisition of any Real Property identified for Acquisition in accordance with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.
- 5.2.5 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain contracts.
- a) 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.
 - b) 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.

5.3 ETHICAL CONSIDERATIONS

- 5.3.1 No Corporation 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.
- 5.3.2 No Corporation 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

Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

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.

5.4 ACQUISITION REPORTS BY THE CORPORATION

5.4.1 The Corporation shall publish the following reports in accordance with these Guidelines:

- a) Pursuant to Section 2800 of the Public Authorities Law, the Corporation shall furnish a report for incorporation in the Corporation'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 Corporation Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Corporation 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 Power 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.
- b) The Corporation 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").
- c) The Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Acquisition of Real Property.

6 VIOLATIONS

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

7 REFERENCES

Public Authorities Law

8 PROCEDURE 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 Year

9 ATTACHMENTS

N/A

Title: Salary Administration

Document Type: Employee Policy

Document Number: EP 2.1

Revision Date: 2/8/2019

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

Executive Owner: Saslow, Karina
VP Total Compensation & HRIS

Content Owner: McDonnell, Robyn
Senior Compensation Specialist

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Salary Administration

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	20	<ul style="list-style-type: none"> • Updated reference to Performance rating scale and MOSAIC platform • Clarification of approvals • Clarification on "Below Expectations" increases • Clarification of timing of actions 	Through 4.1 & 4.2 5.1.3a 5.9.2 & 5.9.3	Karina Saslow VP Total Comp & HRIS
2/8/2019	19	<ul style="list-style-type: none"> • Use the term Management instead of Salaried for references to non-union employees for consistency with employee categories in EP 3.1 • Updated Merit Program timing • Replaced "in-place" promotion with "competency" promotion • Addition of Skill Adjustment • Reordering of Lateral & Demotion under Skill. Clarification lateral is element of Skill. • Clarification of timing of salary actions • Sign-On addition of requirements 	Through 5.1.4 5.2.3 5.3 5.4 / 5.5 5.9 5.10	Karina Saslow Dir. Total Comp & HRIS
07/07/2015	18	Updated document to the new format. This policy had 17 prior revisions under the old format. <ul style="list-style-type: none"> • New Organizational Roles updated (SVP, Human Resources) • Clarification of Lump Sum payments 	N/A Through 5.1.5	Christopher Gillard Compensation Specialist

		being pensionable		
		• Clarification of leave of absence and merit timing	5.1.6	
		• Update on in-place promotion requirements	5.2.3a	
		• Removal of compa-ratio limits and addition of guidance on positioning pay in range.	5.2.1	
		• Clarification of >10% increases and potential for spreading it over period of time.	5.2.2	
		• Expanded definition of market and equity adjustments	5.3.3 & 5.3.4	
		• Clarification of lateral moves.	5.5	
		• Addition of FLSA statement	6	

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

- 1.1** This policy governs salary administration for eligible management employees as defined in Section 2 below.
- 1.2** This policy describes the New York Power Authority's (NYPA) competitive pay program and provides guidelines in which to recognize and reward different degrees of performance through salary changes within budget limits.

2 APPLICABILITY

This policy applies to all permanent and provisional NYPA employees, as defined in the Management Employee Categories and Eligibility for Benefits policy (EP 3.1).

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Base Rate of Pay Bargaining Unit Employee - the negotiated hourly rate for the job, excluding any other payments granted to an employee such as premiums and overtime.

FLS - First Line Supervisor

Management - non-bargaining unit NYPA employees.

Permanent Employees – employed on full time or part time basis, paid directly by the Authority and have no pre-determined employment time limit. (See EP 3.1)

- a) **Transitional position** – Permanent employees who work full-time to fill an anticipated vacancy in another Authority position within a designated time-frame up to one year.

Provisional Employees – Work full-time for a specific project or assignment for a period that is expected to last at least one year, but not more than three years and who are paid directly by the Authority. (See EP 3.1)

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

- 4.1** All types of actions described in this policy, including the effective date of the salary action, require the approval of the Business Unit Head, the Senior Vice President Human Resources or his/her designee, and the President and CEO or his/her designee. Based on the immediate needs of the business, the SVP Human Resources may approve actions be processed in advance of the President and CEO's signature. All requests require a summary of the reason for selection, change in role and responsibilities, succession planning actions, and/or relevant information justifying

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the action.

- 4.2** Any salary action varying from the guidelines of this policy requires documentation, justification, and majority approval from the Compensation Committee and the President and CEO. The justification must contain a detailed explanation for the request. Requests that are insufficient will be returned for further justification or denied.
- a) The Compensation Committee requires a minimum of three participants. It is made up of the Business Unit Heads that report directly to the President and CEO. The Business Unit Head directly involved in the salary action request and the Senior Vice President Human Resources, who is required to approve all actions (see 4.1), shall not serve on the Compensation Committee.
- 4.3** Any action affecting the hiring of or promotion to Vice President or higher also requires notification to the Trustee's Governance Committee.
- 4.4** The Trustees and the Governance Committee will receive a quarterly report of all salary actions implemented in the prior quarter.

5 POLICY IMPLEMENTATION

5.1 Annual Merit Increase

- 5.1.1 Annual merit increases are intended to provide recognition and reward for performance within the parameters of NYPA's annual salary budget. However, neither an annual salary budget nor an annual performance assessment is a guarantee that a salary adjustment will occur.
- 5.1.2 An employee's performance rating summarizing his/her annual performance will be taken into consideration for annual merit purposes and ensures that an employee is considered for a salary adjustment.
- 5.1.3 Eligibility:
- a) Only employees who receive a performance rating of Meets Expectations or better (see Performance Instructions on the Mosaic Central page of the PowerNet for ratings definitions), are provided consideration for an annual merit increase. Increases provided to employees rated 'Below expectations' require justification.
- b) No annual merit increase will be given to employees who earn a performance rating of Does Not Meet Expectations.
- c) Employees whose date of hire is within the six months prior to the Annual Merit increase effective date will not be eligible for that year's increase.
- 5.1.4 Timing:

- a) Effective dates of annual merit increases are at the discretion of senior management and will be announced each year as business needs allow.
- b) In the case of employees on approved leaves of absence, the effective date of increases may be adjusted (see section 5.1.6).

5.1.5 General Guidelines:

- a) Base salaries of employees who earn a performance rating of Above Expectations or Meets Expectations can reach the maximum of the grade range for their job, but cannot exceed it. Should an employee's base salary reach the maximum of the grade range or beyond, recommendations to go over must have appropriate approvals as specified in section 4.2. If the maximum of the grade range is exceeded by the recommended salary increase, then the portion of the increase in excess of the maximum will be granted in the form of a pensionable lump sum payment which does not become part of base pay and must be re-earned each year.
- b) Base salaries of employees who earn a performance rating of Outstanding may exceed the maximum of the grade range by 4%. If the recommended salary increase exceeds 4% above maximum, then the portion of the increase in excess of the maximum will be granted in the form of a pensionable lump sum payment which does not become part of base pay and must be re-earned each year.
- c) If an employee is under the minimum of the grade range for his/her job and has a performance rating of Meets Expectations or better, an adjustment to minimum will be given prior to the Merit increase, unless a plan is already in place to progress the salary to the minimum of the range.

5.1.6 Approved Leaves of Absence:

- a) Performance Assessments - Annual performance assessments should be based on performance in the previous assessment year, regardless of the length of time the employee was on approved leave.
- b) Effective Date of Salary Increase - is determined upon the employee's return to work. If the employee returns from an approved leave of three months or less, the Merit increase will be effective retroactive to the common Merit Increase date. If the approved leave is longer than three months, the Merit Increase will be effective on the date the employee returns to work, unless proscribed by any other policy, state or federal law.
- c) In neither situation will the amount of the increase be affected by the leave.

5.2 Promotional Increases

- 5.2.1 Assignment of an employee to a position of one or more grades higher may be accompanied by an increase in salary of up to 10%. A current performance assessment needs to be on record for employees recommended for promotion. An employee's position in a grade range should reflect proficiency for the expectations of the level of the role. The lower third is entry range, people new to the field, less skilled performers. Median range is skilled performers/experienced for the level of work defined. Upper third range is consistent top performers and critical skill/experts.
- 5.2.2 When a 10% promotional increase does not bring the employee's salary to the minimum of the new grade range, or creates equity concerns (see section 5.8), the employee may receive a larger increase with approval of the Compensation Committee (see section 4.2). Increases over 10% may result in the increase being spread out over a defined period of time and based on continued performance of Meets Expectations or better.
- 5.2.3 Types of Promotions:
- a) Competency: Competency promotions are based on defined essential knowledge, skills, and abilities for a certain level of work. An individual needs to demonstrate their ability to meet these requirements and management needs to provide a business need for this level of work. A Job hierarchy needs to be in place for a competency promotion to be implemented. Competency promotions for the upcoming year will be planned for in the merit planning cycle. They will be implemented in the following year on common dates determined and announced at the beginning of the year.
 - b) Organizational Promotion (backfill or new role): Employee is assigned a different job in order to fill an open or newly created position with expanded responsibilities at a grade higher than the employee's current position. These will be implemented at the time a candidate is identified for the position.
 - c) Re-evaluated position: When a business need drives a change in work or a reorganization results in a job having expanded responsibilities and increased level of competency, a job analysis should be requested by the Business Unit Head and forwarded to the Human Resources Compensation Group in order to assess supporting a higher grade range (see section 5.6.3).

5.3 Skill Adjustments

- 5.3.1 A skill adjustment allows managers to recognize consistently demonstrated growth of an employee in a role and may include an increase in salary of up to 6%. An employee's position in a grade range should reflect proficiency for the expectations of the level of the role. The lower third is entry range, people new to the field, less skilled performers.

Median range is skilled performers/experienced for the level of work defined. Upper third range is consistent top performers and critical skill/experts.

- 5.3.2 Skill adjustments should not occur for an individual more than three times within a grade level.

5.4 Lateral Transfer

- 5.4.1 A lateral transfer occurs when an employee moves from one job to another which has the same grade level, but may be in a different pay structure (e.g. Support-I, Utility - U, Engineering/Science/Attorney - X).
- 5.4.2 In the case of lateral transfers, a skill adjustment may be considered based on the criteria in 5.3.1.
- 5.4.3 Moves that are part of a development plan or program or job changes that are part of a specific work project may be considered for a skill adjustment.

5.5 Demotions

- 5.5.1 A demotion may occur as the result of inadequate employee performance which leads to the employee being assigned to a new job that is one or more grades below the current grade and may include a reduction in salary.
- 5.5.2 Employees demoted and whose salaries are above the maximum of the new grade range may have their salaries reduced to no more than the maximum of the new grade range.

5.6 Job Descriptions

- 5.6.1 Each Business Unit head, or their designee, is responsible for ensuring that the management jobs in their organization have accurate and up-to-date descriptions on record with the Human Resources Compensation group. Substantive changes (increased or decreased) in the primary responsibilities, scope, and/or minimum qualifications must be communicated to the HR Business Partner and Compensation group. Based on the revised description, the Compensation group, with the input of management, reviews and evaluates the job against both the marketplace and internal comparable positions.
- 5.6.2 Recommendation for changes to any job based on the evaluation are coordinated with and approved by the respective Business Unit Head(s) for departments in which the job exists.
- 5.6.3 An evaluation may result in a change in grade. If a job is re-evaluated upward due to a significant change in job content, consideration may be given to granting a promotional increase as previously defined and outlined in Section 5.2.3 b.

- 5.6.4 Employees whose positions are re-evaluated and downgraded and whose salaries are greater than 4% above the maximum of the new grade range may have their salaries reduced to 4% above the maximum of the new grade range, otherwise salaries will not be adjusted based on a downgrade in the job.

5.7 First Line Supervisor (FLS) Differential

To prevent inequities between bargaining unit employees, or equivalent jobs in non-union facilities, and their supervisors, FLS jobs shall generally be paid a minimum of five percent (5%) above the annual base rate of pay of the highest paid supervised bargaining unit employee (or equivalent job). This differential applies only to those FLS who achieve an annual Performance Plus rating of Meets Expectations or better for their prior year's performance.

5.8 Market / Equity Adjustments

- 5.8.1 Upon the recommendation of the Human Resources Compensation group, an adjustment to base salary may be permitted to achieve internal and/or market equity.
- 5.8.2 Only employees who earn a performance rating of Meets Expectations or better are eligible for a market or equity adjustment.
- 5.8.3 External market adjustments are reviews of NYPA job grade ranges and average salaries to market rates. These are reviewed during the annual merit planning cycle. If a Business Unit head approves, a review may be conducted outside of the annual cycle to review a job hierarchy's positioning.
- 5.8.4 Internal equity adjustments are reviews of peer groups (e.g., same grade and geographic region or same grade, job family and geographic region) to review consideration of comparable pay. Overall, an equity review is conducted once a year after each annual salary cycle. Equity is also taken into consideration when making salary recommendations.

5.9 Timing of Salary Actions

- 5.9.1 With the exception of the annual merit increase, at least six months must elapse between any *other* salary actions, inclusive of date of hire.
- 5.9.2 The Compensation group, each year, will provide a calendar of common effective dates for skill adjustments, organizational and competency promotions, and job re-evaluations. These transactions will be frozen during the annual merit increase planning cycle.
- 5.9.3 Reorganizations, backfilling of positions, filling new positions and demotions will be acted upon at any time during the year. Unless specifically noted, effective dates of such actions will be on the first day of the pay period on or after final approval from the President & CEO, or their designee.

5.10 Sign-On & Retention

- 5.10.1 Special incentives for the purpose of attracting or retaining staff may be recommended for VP and above levels or Engineering, Environmental, Generation Resource Management Traders, Technical Compliance, and IT Utility positions (grade 07 and above).
- 5.10.2 Incentives may be offered up to 10% of the midpoint of the job grade and include a 2 year full repayment agreement in the event of voluntary resignation or termination for cause.
- 5.10.3 All special incentives within this section require the approvals specified in section 4.2. VP and above require the additional approval of the Governance Committee.

5.11 Incentive Pay

- 5.11.1 An incentive is a lump sum award paid in recognition of the extraordinary achievement of an individual or a group on special projects or in unique situations that are critical to NYPA.
- 5.11.2 An incentive plan may be developed upon the recommendation of the Business Unit Head accountable for the results, the Senior Vice President Human Resources, and the President and CEO or his/her designee.
- 5.11.3 An incentive plan may be developed:
 - a) Before the start of a project, based on a pre-determined set of measures associated with the project goals and announced to those employees who are eligible, or
 - b) After exemplary completion of an extraordinary project that evolved during a given year.
- 5.11.4 Criteria for such an award must include extraordinary tangible benefits to NYPA such as reduced costs or increased revenue.

6 VIOLATIONS

N/A

7 REFERENCES

EP: 3.1 Management Employee Categories and Eligibility for Benefits [Powernet – Quick Links – Employee Policies – EP 3.1]

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 Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	2/8/2019
Executive Owner	Saslow, Karina	1/28/2019
Content Owner	McDonnell, Robyn	1/28/2019

Policy Title:
**Management Non-Exempt and Facility-Based
Exempt Overtime**

Policy Number:
EP 2.4

Page:
1 of 8

Title: Management Non-Exempt and Facility-Based Exempt Overtime

Document Type: Employee Policy

Document Number: EP 2.4

Revision Date: 1/15/2019

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

Executive Owner: Saslow, Karina
VP Total Compensation & HRIS

Content Owner: McDonnell, Robyn
Senior Compensation Specialist

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Management Non-Exempt and Facility- Based Exempt Overtime

Management Non-Exempt and Facility- Based Exempt Overtime

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	13	Update to titles Clarification on non-exempt travel time review Reference to Management Exempt Emergency/Crisis Response Compensation policy	2.2c, Section 4 5.1.4 5.2.5	Robyn McDonnell Sr. Compensation Specialist
1/15/2019	12	Updated document to the new format. This policy had 11 prior revisions under the old format. Replaced "Salaried" with "Management" Clarification of Exempt Eligibility, inclusion of Customer Load Forecasting Removed section pertaining to Exempt Employees temporarily assigned to a Facility Addition of FLSA	N/A Throughout 2.2 5.2.6 & 5.3.2 6	Robyn McDonnell Sr. Compensation Specialist

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Management Non-Exempt and Facility- Based Exempt Overtime

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

1.1 This policy provides for the authorization and payment of overtime to eligible Authority employees (see

Eligible Employees below). It permits the Authority to:

- a) comply with the Fair Labor Standards Act;
- b) provide additional compensation to certain exempt positions for ensuring the safe and efficient generation and transmission of electricity during specified overtime events;
- c) provide some relief for pay compression between bargaining unit employees and first line supervisors; and
- d) manage overtime costs.

1.2 Eligible overtime is scheduled, authorized and approved time worked in excess of the normal workweek, under predetermined conditions related to specific Authority or facility requirements, priorities, special projects, or to maintain safe operating conditions.

2 APPLICABILITY

2.1 Non – Exempt Eligible Employees:

- a) All management non-exempt employees are eligible for non-exempt overtime as required by the wage and hour laws of the Fair Labor Standards Act, as enforced by the U.S. Department of Labor.

2.2 Exempt Eligible Employees:

- a) First Line Supervisors — management exempt employees with a job category of Supervisor at the facilities whose job is to supervise bargaining unit employees or the equivalent at non-bargaining unit facilities, may be eligible for exempt overtime compensation.
- b) Facility-based management exempt individual contributor employees in grades up through 09 (I/U/X) may be eligible for exempt overtime compensation.
- c) Management exempt individual contributor employees working in the Generation Resources Trading Room on a 24/7 shift, management exempt individual contributor Fuel Buying/Gas Scheduling positions supporting the

Management Non-Exempt and Facility- Based Exempt Overtime

Generation Resources Traders, management exempt individual contributor Transmission System Operators working at the Energy Control Center (ECC), and management exempt individual contributor Market Forecasting Services (MFS) Analysts supporting the New York Independent System Operator (NYISO) energy bidding process and customer energy demands, may be eligible for exempt overtime compensation despite location or grade.

- d) Headquarters management exempt employees, physically working at a facility as part of a specified temporary work project, and who are in grades up through 09 (I/U/X) may be eligible for exempt overtime compensation.
- e) Management exempt employees in grades 10 (I/U) and above are not eligible for overtime compensation under any circumstances other than First Line Supervisors as noted in 2.2 (a), and the Fuel Buyer/Gas Scheduling, positions, Generation Resources Traders, System Operators at the ECC, and the MFS Analysts as noted in 2.2 (c).

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

ECC – Energy Control Center

E-Week – A week during a rotating 12 hour shift schedule that permits a 32 hour week (4 - 8 hour days) to balance out the rotation.

Exempt Employee – one whose job duties meet the established tests for exemption under certain wage and hour laws of the Fair Labor Standards Act, as enforced by the U.S. Department of Labor. Exempt employees receive pay on a salary basis.

Facility-Based – employees whose location of record in SAP is not White Plains or Albany

Headquarters – employees whose location of record in SAP is White Plains or Albany

Individual Contributor – employees who do not have defined supervisory or managerial responsibility for other NYPA employees.

Management – all non-bargaining unit NYPA employees

Non-Exempt Employee – one whose job duties do not meet the established tests for exemption under certain wage and hour laws of the Fair Labor Standards Act, as enforced by the U.S. Department of Labor.

O&M Budget – Operations and Maintenance Budget

Management Non-Exempt and Facility- Based Exempt Overtime

4 RESPONSIBILITY

- 4.1 A Business Unit Head or Regional Manager, or their designee will establish the event (Section 1.2) for which overtime will be paid, and will be accountable for the direction, authorization and administration of overtime as covered by this policy.
- 4.2 The Controller, or designee, will provide periodic reports of overtime paid including year-to-date totals. The Business Unit Head or Regional Manager, or their designee will reconcile these reports against authorizations required by this policy and promptly notify the Controller or designee in writing of any discrepancies that require correction.
- 4.3 The Business Unit Head is responsible for the prudent use of overtime within the parameters established by the approved O&M Budget.

5 POLICY IMPLEMENTATION

5.1 Non-Exempt Overtime

- 5.1.1 On those occasions when it is necessary for non-exempt employees to work in excess of their basic workweek [see Attendance and Flexible Hours policy (EP: 4.6)], all additional time worked must be directed and authorized in advance in accordance with Section 1.2 of this policy.
- 5.1.2 Notwithstanding the requirements of Section 5.1.1 above, under the Fair Labor Standards Act, all non-exempt employees who work in excess of their basic workweek must record and be paid for all time worked.
- 5.1.3 The rate of pay for non-exempt employees is as follows:
 - a) Straight time for up to 40 hours in a workweek.
 - b) 1½ times the straight time equivalent hourly rate of the annualized salary for those hours worked beyond 40 hours in a workweek. Payment for time worked on a scheduled holiday will be paid at 1½ times the equivalent hourly rate.
- 5.1.4 Generally, time spent traveling on company business will not be counted as hours worked for overtime computation purposes. However, each situation is unique and should be confirmed with the Compensation group.
- 5.1.5 For non-exempt employees, work time spent as a required or assigned participant in any training program, lecture, meeting or workshop, will be paid at the applicable rate of pay (Section 5.1.3) for that time period. Additional detail on non-exempt overtime reporting is available on the PowerNet under Human Resources – Compensation

5.2 Exempt Overtime

Management Non-Exempt and Facility- Based Exempt Overtime

5.2.1 Time worked in excess of the normal workweek at an exempt employee's discretion will not be compensated. For eligible management exempt employees, all paid overtime must be approved in advance in accordance with Sections 1.2 and 5.3.

a) For exempt employees on 12 hour shifts, overtime is any time outside the regularly scheduled shift, regardless of the number of hours in the shift. If the scheduled rotation results in greater than 40 hours per week over the course of the year (e.g., 3 day on/3 day off continuous rotation), then the additional hours over the regular 2,080 hours will be built in overtime. With management's approval, trading of hours with another employee should result in an equal number of hours and the new hours become part of the regular schedule. For schedule rotations that include an "E-week" of four 8 hour shifts, the employee's schedule can be modified to backfill for shifts as needed, and all hours greater than 32 for the week would be paid as overtime.

5.2.2 For management exempt employees in, or temporarily acting in, First Line Supervisor positions, approved overtime will be paid at 1½ times the hourly equivalent of the exempt employee's salary for hours of *actual supervision* of NYPA bargaining unit employees, or the equivalent. Similarly, Transmission System Operators and Day Ahead Traders approved overtime will be paid at 1½ times the hourly equivalent of their exempt salary for hours performing their primary duty. Any other overtime hours, if approved, will be paid at a straight time rate.

5.2.3 Eligible individual contributor employees may be paid for all hours worked, in accordance with section 1.2. Approved overtime will be paid at the straight time hourly equivalent of the exempt employee's salary.

5.2.4 Exempt employees who are pre-approved to work during a scheduled holiday will be paid at 1½ times the hourly rate for First Line Supervisors, and 1 times the hourly rate for non-supervisory employees for actual hours worked in addition to their normal straight time pay for the holiday.

5.2.5 Exempt management employees who are called to respond to an emergency/crisis situation refer to EP 2.5 Management Exempt Emergency/Crisis Response Compensation.

5.3 Approval and Time Records

5.3.1 For eligible management exempt employees, an Overtime Approval form must be completed stating, at a minimum, the employee's name, period of time for which the overtime has been requested and approved, a brief description of the task, and the employee's basic workweek hours. Each operating facility may have a standard Overtime Approval form. These must be reviewed and approved (signed) by a Business Unit Head and/or Regional Manager, or designee, as appropriate. These records are retained by the applicable department or facility

Management Non-Exempt and Facility- Based Exempt Overtime

- 5.3.2 Payment for authorized overtime under the guidelines of this policy, where practicable, will be charged to the operating budget where the work is performed. The approved time report must clearly indicate the appropriate facility program code number to charge.
- 5.3.3 Payment to a management exempt employee for overtime that has not been specifically directed or authorized by those delegated the responsibility by this policy, will not be permitted under any circumstances. Issues with unauthorized non-exempt overtime will be addressed through the performance management process. [See Section 5.1 regarding treatment of non-exempt employees.]
- 5.3.4 This policy supersedes all prior policies and procedures regarding overtime for exempt and non-exempt personnel.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination.

7 REFERENCES

EP 2.5 Management Exempt Emergency/Crisis Response Compensation.

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

Policy Title:

Management Non-Exempt and Facility- Based Exempt Overtime

Policy Number:
EP 2.4

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	1/15/2019
Executive Owner	Saslow, Karina	1/2/2019
Content Owner	McDonnell, Robyn	1/2/2019

Policy Title:

**Management Exempt Emergency/Crisis
Response Compensation****Title: Management Exempt Emergency/Crisis Response
Compensation**

Document Type: Employee Policy

Document Number: EP 2.5

Revision Date: 1/15/2019

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

Executive Owner: Saslow, Karina
VP Total Compensation & HRIS

Content Owner: McDonnell, Robyn
Senior Compensation Specialist

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Policy Title:
**Management Exempt Emergency/Crisis
Response Compensation**

Policy Number:
EP 2.5

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**Management Exempt Emergency/Crisis
Response Compensation**

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
1/15/2019	0	Original Issue		Karina Saslow VP, Total Compensation & HRIS

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Management Exempt Emergency/Crisis Response Compensation

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

If it is determined that an Incident or Major Disaster exists, or is imminent, exempt employees who perform services related thereto may be requested or required to work hours in excess of their regularly scheduled workweek. Such exempt employees will be compensated for their excess time in the form of an Emergency Payment.

2 APPLICABILITY

FLSA Exempt Management employees assigned to respond to an incident, with approval of excess working time per current policy.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

FLSA Exempt Employee – one whose job duties meet the established tests for exemption under certain wage and hour laws of the Fair Labor Standards Act (FLSA), as enforced by the U.S. Department of Labor. Exempt employees receive pay on a salary basis.

Incident - Any condition which constitutes a civil emergency, catastrophic condition, or a state of crisis management, when so determined by NYPAs President & CEO or COO.

Incident Period - The time interval, as designated by the individual declaring the incident/major disaster, during which the event occurs and continues to impact working conditions.

Major Disaster - Any natural catastrophe (including but not limited to hurricane, tornado, storm, high water, wind driven water, landslide, mudslide, snowstorm, or drought), or regardless of cause, any fire, flood, or explosion.

Management – non-bargaining unit NYPA employees

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Emergency Payment

- a) Shall be paid to eligible exempt employees for each hour worked, during the Incident Period, in excess of their regularly scheduled workweek.
- b) Hours will be paid at straight time rate during the employee's scheduled work hours

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and time-and-a-half for off-schedule hours and scheduled Holidays (including the holiday pay).

- c) In events external to NYPA, employees coming from 12 hour shifts will assume an 8 hour x 5 day schedule.

Example

Scheduled work week is M-F, 8 hours a day

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Total Hours Worked	4	12	16	16	16	16	10
Straight Time		8	8	8	8	8	
Time & Half	4	4	8	8	8	4	10

Holiday Worked

- Employee is paid the 8 hours holiday straight time and time and a half for all hours worked.

Holiday Not Worked

- Employee is paid the 8 hours holiday straight time

5.2 Approval and Time Records

Shall follow the same requirements as stated in EP 2.4 Management Non-Exempt and Facility Based Exempt Overtime

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination.

7 REFERENCES

EP 2.4 – Management Non-Exempt and Facility Based Exempt Overtime [Powernet → Quick Links → Employee Policies → EP 2.4]

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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Policy Title:
**Management Exempt Emergency/Crisis
Response Compensation**

Policy Number:
EP 2.5

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	1/15/2019
Executive Owner	Saslow, Karina	1/2/2019
Content Owner	McDonnell, Robyn	1/2/2019

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Policy Title:
**Management Employee Categories and Eligibility
for Benefits**

Policy Number:
EP 3.1

Page:
1 of 10

Title: Management Employee Categories and Eligibility for Benefits

Document Type: Employee Policy

Document Number: EP 3.1

Revision Date: 2/8/2019

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

Executive Owner: Saslow, Karina
VP Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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requirements pertaining to NYPA.*

Management Employee Categories and Eligibility for Benefits

Management Employee Categories and Eligibility for Benefits

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
2/8/2019	10	Biennial Review Addition of file paths	N/A 7	Brenda Verdesi Manager, Benefits
10/13/2016	9	Contingent workers are not eligible Change wording from Salaried to Management Clarify wording of Definitions and Classifications Update Eligibility for 401(k) Plan Provide more details of retiree eligibility & benefits offered	2.0 Various 3.0 5.1 5.2 and 5.3	Brenda Verdesi Manager, Benefits

Management Employee Categories and Eligibility for Benefits

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 defines the various categories of Management Authority employees and the benefits available to each category. Classification of exemption status is determined based on the job requirements in accordance with the Fair Labor Standards Act, as enforced by the U.S. Department of Labor.

2 APPLICABILITY

This policy applies to all management Authority employees.

Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management – non-bargaining unit Authority employees

Full-time – Employees who work at least 37½ hours per week and who are paid directly by the Authority. Full-time employees can be classified as Permanent, Transitional, or Provisional. The Business Unit or Department determines the work week schedule of 37½ or 40 hours per week.

Part-time – Part time status is granted in the following cases:

- a) Permanent employees who have worked full-time for a minimum of one year, and whose status has changed from full-time to part-time without a break in service (employment with the Authority has not been terminated); and who work a minimum of 20 hours per week, but less than 37½ or 40 hours (as applicable) and who are paid directly by the Authority.
- b) Temporary employees hired on a part-time basis (minimum of 20 hours/week, but less than 37½ or 40 hours/week) for a specific position or assignment and who are paid directly by the Authority.

Classifications

3.1 Permanent Employees – employed on full time or part time basis, paid directly by the Authority and have no pre-determined employment time limit.

- a) **Transitional position** – Permanent employees who work full-time to fill an anticipated vacancy in another Authority position within a designated time-frame up to one year.

3.2 Provisional Employees – Work full-time for a specific project or assignment for a period that is expected to last at least one year, but not more than three years and who are paid directly by the Authority.

Management Employee Categories and Eligibility for Benefits

3.3 Temporary Employees – Employed for a period of not more than one year (from date of hire) and are paid directly by the Authority. Requests to extend employment for an additional period beyond one year must be received and approved by headquarters Human Resources Department Head and the Budget Department.

Additional categories of Temporary Employees include:

- a) Temporary Intern – employed on a full-time or part-time basis for a specific position or assignment, not to exceed six months in a given calendar year.
- b) Developmental Intern – employed on a full-time or part-time basis while enrolled in an accredited college or university in a curriculum related to the temporary assignment at the Authority. Additional guidelines apply to Developmental Interns under the Human Resources Developmental Intern Program.
- c) Cooperative– employed on a full-time basis while enrolled full-time at an accredited college or university in a work/study or cooperative education curriculum and who receives credits towards his/her course of study.
- d) Returning Retiree – employees who have retired from the Authority and are rehired as a temporary employee to transition work or perform a specific project based on their unique experience, knowledge or skills, for a period not to exceed one year.
 - i. Any requests to hire an Authority retiree (including Authority retirees who have suspended their pensions) must be approved by the President & Chief Executive Officer, Business Unit Head, SVP Human Resources & Enterprise Shared Services and VP, and Chief Ethics & Compliance Officer. The justification and the request for approval must contain documentation of the need to obtain the services of that individual and indicate that the returning retiree's compensation (i) will be set at her or his most recent Authority hourly rate of pay [no benefits] and (ii) will not exceed the applicable annual earnings limitation contained in the New York State Retirement and Social Security Law (NYSRSSL) or other applicable laws.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver] unless otherwise noted here in.

Policy Title:
**Management Employee Categories and
Eligibility for Benefits**

Policy Number:
EP 3.1

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5 POLICY IMPLEMENTATION

5.1 Benefits for Active Employees

Employees are eligible for the following benefits based on their category as defined in Section 3. For more detailed information about the applicable employee benefits as listed above, please refer to the Employee Benefits Handbook on the Powernet.

Flexibility Benefits				
	Permanent Full-time	Permanent Part-time	Provisional	Temporary
Medical	Eligible	Eligible	Eligible	If determined to be a "full-time equivalent" under the regulations of the Patient Protection and Affordable Care Act (PPACA), eligible as required by Federal Law
Dental; Vision; Hearing; Group Legal, Flexible Spending Accounts, Accidental Death & Dismemberment Insurance; Accident Expense Plan; Cancer Protection Plan	Eligible	Eligible	Eligible	Not Eligible
Employee, Spouse, Child Life Insurance	Eligible	Eligible – Employee life insurance is based on pro-rated pay	Not Eligible	Not Eligible
Long Term Disability Insurance	Eligible	Eligible – based on pro-rated pay	Not Eligible	Not Eligible
Long Term Care	Closed to new participants	Closed to new participants	Closed to new participants	Not Eligible
Flex Credits	Eligible	Eligible – based on a reduced flat amount	Eligible – based on a reduced flat amount	Not Eligible

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements

Management Employee Categories and Eligibility for Benefits

Other Benefits				
	Permanent Full-time	Permanent Part-time	Provisional	Temporary
Educational Assistance Program	Eligible	Eligible – pro-rated based on the number of hours worked per week	Not Eligible	Not Eligible
Employee Assistance Program	Eligible	Eligible	Eligible	Eligible
Vacation Leave	Eligible	Eligible – pro-rated per EP 3.2	Eligible – per EP 3.2	Not Eligible
Sick Leave	Eligible	Eligible – pro-rated per EP 3.9	Eligible – per EP 3.9	Not Eligible
Holidays	Eligible	Eligible – if work less than a full day (as applicable to their respective job location) are eligible for compensation for holidays based on the number of hours worked per day. However, if an employee works less than a full week, and a holiday falls on a day an employee is not scheduled to work, he/she will not be paid for that day.	Eligible – except for holidays that fall on a day not schedule to work	Not Eligible – unless work on a holiday

Policy Title:
**Management Employee Categories and
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Retirement Benefits				
	Permanent Full-time	Permanent Part-time	Provisional	Temporary
Employees' Savings Plan	Eligible	Eligible	Eligible	Eligible after completing at least 1,000 Hours of Service in a Plan Year
Deferred Compensation Plan	Eligible	Eligible	Eligible	Eligible
New York State & Local Retirement System or Voluntary Defined Contribution Plan (for certain Tier 6 employees)	Mandatory Membership	Optional Membership – service credit is pro-rated based on the number of hours worked per week	Mandatory Membership	Optional Membership if period of employment is less than one year. Membership is mandatory for a full-time temporary employment that exceeds one year.

5.2 Eligibility for Benefits in Retirement

To qualify for Authority Retiree Benefits, you must:

- 5.2.1 be a Permanent Full-Time Authority Employee as defined in Section 3.1. Provisional, part-time, or temporary employees are not eligible for retiree benefits.
- 5.2.2 meet Authority service requirements in section 5.4 below; employees who were rehired by the Authority or transferred New York State service see EP 1.9 Transfer or Re-Employment in Public Service.
- 5.2.3 You must retire from the Authority and immediately collect retirement benefits from the New York State and Local Retirement System (if you are a member of Tiers 1 through 6).
- 5.2.4 Employees who participate in the New York State Voluntary Defined Contribution Plan must be age 55 and meet the criteria in 5.2.1 and 5.2.2.
- 5.2.5 Employees who were rehired or were direct transfers are required to complete service requirements under EP 1.9.

Management Employee Categories and Eligibility for Benefits

5.3 Benefits offered in Retirement

The Authority offers the following benefits in retirement: retiree medical coverage; post-retirement life insurance; Medicare Part B reimbursement; and the Employee Assistance Program. Details of the options are available in the Retiree Benefits Guide on the Powernet.

5.4 Cost of Retiree Medical Benefits

	Employee Hired/Rehired Before 01/01/2016		Employee Hired/Rehired on or After 01/01/2016
	Employee Retires on or before 01/01/2019	Employee Retires after 1/1/2019	
Retirement Eligibility*	10 Years of service	10 Years of service	15 Years of service
Retiree Contribution to Medical Coverage**	No contribution to any medical plan	No contribution if enrolled in the NYPA Plan. If enrolled in another plan, your contribution is 50 percent of the difference between the active employee contribution to the NYPA PPO Plan and the plan you enrolled in.	Retiree contribution is 50% of the active employee contribution

* The retirement eligibility refers to medical, life insurance, and Medicare Part B reimbursement benefits.

**The “active contribution” will be based on your enrollment (e.g. single or family coverage).

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1 EP 1.9 Transfer or Re-Employment in Public Service [Powernet → Quick Links → Employee Policies → EP 1.9]
- 7.2 EP 3.2 Vacation [Powernet → Quick Links → Employee Policies → EP 3.2]
- 7.3 EP 3.9 Sick Leave [Powernet → Quick Links → Employee Policies → EP 3.9]
- 7.4 Employee Benefits Handbook [Powernet → Department Sites → Human Resources → Benefits]
- 7.5 Retiree Benefits Guide [Powernet → Department Sites → Human Resources → Benefits → Retirement Planning]

Policy Title:

Management Employee Categories and Eligibility for Benefits

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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

Policy Title:

Management Employee Categories and Eligibility for Benefits

Policy Number:
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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	2/8/2019
Executive Owner	Saslow, Karina	2/5/2019
Content Owner	Verdesi, Brenda	2/5/2019

Title: Vacation

Document Type: Employee Policy

Document Number: EP 3.2

Revision Date: 12/18/2018

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

Executive Owner: Saslow, Karina
VP Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Vacation

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	14	Replace Vacation Donation clause with reference to new EP 3.11 Management Vacation Donation Policy Revise violations to reflect standard language	5.6 & 7.6 6	Karina Saslow, VP Total Compensation & HRIS
12/18/2018	13	Change wording from Salaried to Management Policy does not apply to contingent workers. Revise vacation accrual for employees on leave Submitting vacation requests Added wording about use of vacation during Family & Medical Leave Deceased employee accrued vacation will be paid out according to Legal Department procedures Clarify wording and change Vacation Buy-Back to Vacation Cash Out Added vacation donation policy (moved from EP 3.3 Family & Medical Leave policy)	Various 2.0 5.1.1(d) 5.2.1 5.2.4 5.4 (e) 5.5 5.6	Brenda Verdesi Manager, Benefits
04/10/2015	12	Converting to new format. There were 11 prior revisions of this Policy.	N/A	Brenda Verdesi Manager, Benefits

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

NYPA recognizes the importance of vacation time in providing the opportunity for rest, recreation, and personal activities, and therefore grants annual paid vacation leave for its management employees.

2 APPLICABILITY

Permanent and provisional management employees that meet the eligibility criteria set forth in Section 5.1 Eligibility for Vacation (see EP 3.1, Management Employee Categories and Eligibility for Benefits Policy, for employee category definitions). Temporary employees are not eligible.

Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management – non-bargaining unit NYPA employees.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Eligibility for Vacation

5.1.1 Permanent full-time management employees are credited with vacation days as follows:

- a) Employees are credited with 20 vacation days on January 1 of each year.
- b) In an employee's first year of NYPA employment, vacation days are credited on a pro-rated basis (rounded up to the nearest half day), based on the employee's date of employment (1/12th of 20 vacation days, or 1 2/3 days for each month of service). For example, if employment began in April, the employee receives 15 vacation days for the year. If employment began in December, the employee receives two vacation days.
- c) Employees who have 11 or more years of eligible NYPA service will be credited with an additional ½ vacation day on January 1 immediately after they attain 11 years of eligible service. (See EP 1.9, Transfer or Re-Employment in Public Service, for

- transferred time eligibility criteria.) For each succeeding year of service, another ½ day will be credited on the following January 1st of each year until a maximum of 25 days per year is credited upon the January 1st after reaching 20 years of service.
- d) Employees on a personal leave of absence without pay, a medical leave extending beyond 12 weeks of FMLA (see EP 3.3), or long term disability on January 1, will not be credited with vacation days until they return to work, at which point vacation days will be credited on a pro-rated basis for the full months worked during the year. Employees who go out on a medical leave or a leave of absence without pay after being credited with their vacation days on January 1, and remain employees, will keep the vacation days that were granted on January 1.
- 5.1.2 Permanent part-time management employees are credited vacation days on a pro-rated basis contingent on the assigned number of hours worked per week. If part-time employees become full time during the year, their vacation days for the year will be adjusted on a pro-rated basis.
- 5.1.3 Provisional management employees, employed on January 1, are credited with 10 vacation days per year for their first two full years of employment, and 15 vacation days in their third year. In the first calendar year of provisional employment, vacation will be pro-rated for each month of service.
- 5.2 Vacation Usage**
- 5.2.1 Employees are encouraged to submit vacation requests to Supervisors as far in advance as practicable. Some Business Units, Sites, or Departments may require the vacation request in writing. Supervisors will make every effort to accommodate requests, but must balance schedules and workloads in order to meet the department's needs.
- 5.2.2 New employees may use vacation time immediately with the approval of their supervisor.
- 5.2.3 Employees may use vacation days in full or half-day increments. However, supervisors may allow employees to make up lost time through flexible scheduling by working extra hours on other days instead of using vacation time.
- 5.2.4 An employee on an approved FMLA leave (see EP 3.3) who wants to use accrued vacation or floating holiday time to cover any part of that leave must make a request to Human Resources. Without notification, accrued vacation or floating holiday time will not be automatically applied. The use of vacation or floating holiday time does not alter the status of the leave as FMLA leave, extend the FMLA leave, or extend any Authority provided job security periods.

- 5.2.5 Excessive requests for time off, or taking vacation time without prior approval, should be handled by supervisors as performance problems in accordance with EP 4.2, Performance Improvement Policy.
- 5.2.6 Once an employee has submitted a voluntary resignation or retirement, vacation usage is subject to supervisory approval. However, an employee must physically be at work on his/her last day of employment. Any action varying from the guidelines must be approved by the Head of Human Resources.

5.3 Vacation Carryover

Regardless of how many vacation days employees are credited with at the beginning of the year, no more than 40 vacation days may be carried over from year to year. For example, on December 31st an employee has the maximum vacation accumulation (40 days) and is credited with an additional 20 days on January 1, the employee's total balance would be 60 days on January 1. If by December 31 of that year the employee still has more than 40 days of accumulated vacation time, the vacation balance will be reduced to 40 days.

However, due to extenuating circumstances, any action varying from the guidelines may be approved by the respective Business Group and Business Unit/Department Heads with concurrence from the Human Resources Department Head or their designee. Any such request must be forwarded to the Human Resources Department Head as soon as possible and no later than January 10th of the year in which the vacation accumulation exceeds the 40-day maximum. If the request is granted, and the employee subsequently leaves the Authority, the employee would only be paid a maximum of 40 days' vacation upon termination of employment.

5.4 Pay in Lieu of Vacation

Payment in lieu of accumulated vacation, not exceeding a maximum of 40 days, may be made for employees who have completed at least six months of service under the following conditions:

- a) When an employee resigns, provided the employee gives NYPA at least two weeks' written notice. Employees that resign without two weeks' notice will not be paid out for accrued vacation time.
- b) When an employee's services are terminated by NYPA.
- c) When an employee resigns and provides at least two weeks' notice, is terminated, or retires, the employee will receive payment for the current year's accumulated vacation on a pro-rated basis (1/12th of yearly vacation days for each month of service). This will be added to any days that were carried over from the prior year, up to a maximum vacation payment of 40 days. If an employee has already used

more than the equivalent of 1/12th of their yearly vacation days for each month of service, payments for those days must be repaid to NYPA (to the extent possible, payment will be withheld from the employee's final paycheck).

- d) When an employee resigns or is terminated prior to six months of service, the employee is not eligible for payment of vacation days, and payment for any vacation time taken within the first six months of employment must be repaid to NYPA (to the extent possible, payment will be withheld from the employee's final paycheck).
- e) In the event of death, payment for unused vacation will be paid first to the beneficiary as named in the employee's group life insurance policy as permissible under the NYS Surrogates Court Procedure Act § 1310 ("SCPA") with the remainder (if any) being paid to the estate of the decedent. If no allocation is permissible under the SCPA, the entire amount of unused vacation will be paid to the estate of the decedent.

5.5 Vacation Cash Out Program

- 5.5.1 If a vacation cash out is offered and announced by Human Resources, employees will be advised of the number of accrued vacation days they can request to be paid by NYPA. Once the payment is made to the employee, his/her vacation accrual will be reduced by the number of days paid out.
- 5.5.2 When the announcement is made by Human Resources, employees must submit a Vacation Cash Out Request form to Payroll within the specified timeframe. The form is available on the Powernet under Payroll Forms. Requests received after the announcement deadline date will not be honored or processed.
- 5.5.3 The vacation "cash out" check will be issued separately from the regular bi-weekly paychecks. In addition to taxes, Employees' Savings Plan (401(k) plan) and Deferred Compensation Plan (457 plan) deductions, if applicable, will be withheld from the check. Employees' Savings Plan or Retirement System loan repayments will not be deducted from the check.
- 5.5.4 The vacation "cash out" payment does not constitute salary as defined by the Retirement and Social Security Law. Therefore, Tier 3 through 6 contributions, if applicable, will not be deducted from the vacation cash out check, nor will the cash out be reported to the Retirement System as wages. Therefore, the value of the "cash out" will not be included in the calculation of an employee's Final Average Salary.

5.6 Vacation Donation Program

Employees who wish to donate vacation accruals to a Vacation Donation Bank may do so if they meet the criteria for donating. See EP 3.11 Management Vacation Donation.

- a) Under IRS regulations, donations are taxable compensation based on the donor's rate of pay at the time of donation and will be treated as W-2 wages for the donor.
- b) Payments received by an employee from the Bank are also treated as W-2 wages for all income and employment tax withholding purposes.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination.

7 REFERENCES

- 7.1** EP 1.9, Transfer or Re-Employment in Public Service
- 7.2** EP 3.1, Management Employee Categories and Eligibility for Benefits Policy
- 7.3** EP 4.2, Performance Improvement Policy
- 7.4** EP 3.3, Family and Medical Leave Act Policy
- 7.5** Vacation Cash Out Request form
- 7.6** EP 3.11 Management Vacation Donation Policy

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

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	12/18/2018
Executive Owner	Saslow, Karina	12/10/2018
Content Owner	Verdesi, Brenda	12/9/2018

Policy Title:
Employee Assistance ProgramPolicy Number:
EP 3.5Page:
1 of 7**Title: Employee Assistance Program**

Document Type: Employee Policy

Document Number: EP 3.5

Revision Date: 1/2/2019

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

Executive Owner: Saslow, Karina
VP Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Employee Assistance Program

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
	6	Changed text from Facility HR Managers to designated HR Representative. Clarified minor wording in policy Removed language for the management of performance issues Changed cycle to every other year	Various Various 5.2 8.0	Brenda Verdesi, Manager, Benefits
1/2/2019	5	Uploaded information to a new format. This policy had four (4) revisions under the old format. Contingent workers are not eligible If an employee refuses to comply with a mandatory EAP referral, the employee may be subject to disciplinary action up to and including termination of employment.	N/A 2.4 6.0	Brenda Verdesi, Manager, Benefits

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

The Authority provides the Employee Assistance Program (EAP) as a confidential counseling, assessment and referral service that can help employees and their family members with issues including, but not limited to, stress and anxiety, mental and emotional problems, alcohol and drug dependencies, marital and family problems, legal and financial issues, childcare, adult care, and work related problems. These services are provided through an independent, third party provider.

2 APPLICABILITY

- 2.1 At any time of any day employees using a toll free phone number, 1-800-833-8707, may directly contact a confidential Employee Assistance Counselor at the EAP. Additionally, employees may contact the EAP through Employee Relations in the White Plains office and/or their site HR Representative.
- 2.2 The EAP may also be used for referrals of employees by supervisors in conjunction with Human Resources, or by Human Resources independently, as further set forth in this Policy.
- 2.3 There is no charge to employees (and/or their family members) for services provided by the EAP. However, if employees or their family members are referred by the EAP to other professionals for additional care, treatment and/or assistance, the employee or family member will be responsible for any costs not covered by their health insurance.
- 2.4 Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Company's payroll system, or who are classified by the Company as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

BAC – Blood Alcohol Content

EAP - Employee Assistance Program

MRO - Medical Review Officer

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the SVP, Human Resources and Enterprise Shared Services unless otherwise noted herein.

5 POLICY IMPLEMENTATION**5.1 Confidentiality**

- 5.1.1 A vital aspect of this program's success is confidentiality in handling employees' personal issues. Therefore, the utmost care will be taken by the EAP and Human Resources to preserve the dignity and privacy of the individual. This policy will be administered in accordance with all applicable laws.
- 5.1.2 The EAP adheres to legal and professional responsibilities applying to mental health professionals. Accordingly, EAP staff is legally required to break confidentiality and report any individuals judged to be a hazard to themselves or others to the appropriate authorities within and outside of the Authority.
- 5.1.3 When an employee (and/or their family members) contacts the EAP on their own, their identity will be withheld from the Authority. However, if there is reasonable belief that the employee's condition may constitute a hazard to themselves or others, EAP staff will notify Employee Relations, or designee, in the White Plains office.

5.2 Referrals to EAP

- 5.2.1 Supervisors should NOT at any time attempt to diagnose an employee's condition.
- 5.2.2 When a supervisor is of the opinion that an employee may pose a hazard to himself/herself or other employees, the supervisor shall immediately contact Employee Relations. At the sites, the supervisor shall contact the designated HR Representative. Employee Relations will arrange for a mandatory EAP referral if appropriate.
 - a) Following a supervisory referral, Employee Relations will contact EAP on behalf of the employee. Either the employee will be asked to contact EAP or the EAP will contact the employee and assess the situation. If needed, the EAP will make a referral to other outside resources for treatment. The EAP representative will notify Employee Relations that the employee has been contacted.
- 5.2.3 If the employee is referred to the EAP and will require time away from work or cannot return to work, he/she may be placed on leave in accordance with the Authority's leave policies or applicable labor agreement. Employees placed on leave as a result of an EAP intervention must be cleared by the EAP, or another qualified medical provider, before returning to work.
- 5.2.4 Referral to or use of the EAP does not excuse employees from complying with Authority policies or from meeting expected job requirements and performance, during or after receiving assistance or treatment. Nor does referral to or participation in the EAP preclude the Authority from instituting appropriate disciplinary action or performance assessment of an employee.

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

5.3 Fitness for Duty Referral

- 5.3.1 In accordance with the Fitness for Duty policy (EP 4.5) certain employees may be subject to mandatory referral to the EAP.
- 5.3.2 If an employee appears unfit for duty in accordance with the (EP 4.5), Employee Relations in the White Plains office and/or the designated HR Representative at the site should be contacted immediately. The supervisor or the person(s) who observe the employee's behavior should document their observations as soon as possible.
- 5.3.3 When an employee is referred to the EAP for Fitness for Duty, the employee must be cleared by the EAP, or another qualified medical provider, before returning to work. When a Fitness for Duty referral is made to the EAP, the Authority will be advised of the nature of the problem if one exists. The employee will be required to sign an authorization and consent to the release of information to the Authority.
- 5.3.4 If an employee is required to be tested on a random basis and has a confirmed positive test for alcohol at .04 Blood Alcohol Content (BAC) and above, but below the applicable regulatory threshold, the employee may be immediately referred to the EAP. If an employee tests positive for drugs or alcohol, he/she will be subject to follow-up periodic, unannounced testing to verify abstinence from the use of alcohol or drugs. Employee Relations/Facilities Human Resources, in collaboration with the EAP, will ensure that the employee is Fit for Duty before returning to work (EP 4.5).
- 5.3.5 If an employee tested on a random basis has a confirmed positive test for illegal drugs, substance, or alcohol abuse (at or above the applicable regulatory threshold) as certified by a Medical Review Officer (MRO), the employee will be immediately referred to the EAP. Employee Relations should be notified so that appropriate action can be taken.

6 VIOLATIONS

If an employee refuses to comply with a mandatory EAP referral, the employee may be subject to disciplinary action up to and including termination of employment.

7 REFERENCES**7.1 Fitness for Duty (EP 4.5)****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

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

9 ATTACHMENTS

N/A

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	1/2/2019
Executive Owner	Saslow, Karina	12/17/2018
Content Owner	Verdesi, Brenda	12/16/2018

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Policy Title:
Management Vacation Donation ProgramPolicy Number:
EP 3.11Page:
1 of 8**Title: Management Vacation Donation Program**

Document Type: Employee Policy

Document Number: EP 3.11

Revision Date: 12/12/2018

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

Executive Owner: Saslow, Karina
VP Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Management Vacation Donation Program

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
12/12/2018	0	Original Issue – Replaces Vacation Donation Program from EP 3.2 Vacation section 5.6		Karina Saslow VP, Total Compensation & HRIS

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

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

NYPA recognizes that employees may have a family emergency or a personal crisis that causes a severe impact to them resulting in a need for additional time off in excess of their available sick/personal time. To help these employees, the Vacation Donation Program now allows staff to donate vacation time to be held in a bank for staff to use when on leave for a Critical Personal Situation.

2 APPLICABILITY

- 2.1 The Vacation Donation Bank (referred to as the Bank) is a general bank that has been voluntarily donated to by eligible NYPA employees from their unused vacation balances. As time donated from employees will differ in value, the allocation and distribution of this leave will be calculated based on value and not time. Donations into the Bank will be valued at the salary of the donor at the time of donation and payouts will be valued at the salary of the recipient at the time of request.
- 2.2 Under IRS regulations donations are taxable compensation based on the donor's rate of pay at the time of donation, and will be treated as W-2 wages for the donor. Payments received by an employee from the Bank are also treated as W-2 wages for all income and employment tax withholding purposes.
- 2.3 This Bank is for use by active eligible management employees who are in Critical Personal Situations and are in need of additional paid time off.
- 2.4 All eligible employees will be allowed to donate annual leave from their unused vacation balances to eligible co-workers in need in accordance with the policy outlined below. This policy is strictly voluntary.
- 2.5 Eligible employees applies to NYPA permanent, transitional or provisional, full-time or part-time, management employees. Bargaining unit employees are not eligible to participate in the vacation donation program set forth in this policy.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Committee – The review committee will be made up of members from Human Resources and the Executive Management Committee (EMC).

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

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Critical Personal Situation - a personal crisis of a severe nature that directly impacts the employee. This may be a critical or catastrophic illness or injury of the employee (non-work related) or an immediate family member (spouse, domestic partner, child, parent or other relationship in which the employee is the legal guardian or sole caretaker) that poses a threat to life and/or requires inpatient or hospice health care. A critical personal situation may also include a natural disaster impacting the employee's primary residence, such as a fire or severe storm.

Domestic Partner – Domestic partner whose eligibility documentation has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner qualifying criteria as outlined in the guidelines [Powernet – Human Resources – Benefits – Healthcare Plans – Domestic Partner Guide]

Management – non-bargaining unit NYPA employees.

Permanent Employees – employed on full time or part time basis, paid directly by the Authority and have no pre-determined employment time limit. (See EP 3.1)

- a) **Transitional position** – Permanent employees who work full-time to fill an anticipated vacancy in another Authority position within a designated time-frame up to one year.

Provisional Employees – Work full-time for a specific project or assignment for a period that is expected to last at least one year, but not more than three years and who are paid directly by the Authority. (See EP 3.1)

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Criteria for Donating Leave

- a. All eligible employees who choose to donate vacation must have a minimum of 1 year service, and must meet the guidelines outlined below. Only employees who have donated unused vacation balances can apply to participate in the plan as a recipient.

1. Donors must have a minimum of 5 days remaining in their vacation balance after donating vacation day(s).
2. Employees must donate at least 1 day each calendar year to remain active in the plan year, which is the following calendar year. There is no maximum as to how many days one can donate.
3. Employees cannot borrow against future vacation leave to donate.

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4. All donations must be in full day increments only.
5. Part-time employees who donate may donate their full day equivalent, and their participation in the plan will be calculated on a pro-rated basis.
6. Employees on 12 hour shift schedules who donate will donate an 8 hour day equivalent, and their participation in the plan will shift them to 8 hr/day, 5 day/week shift.
7. Employees may not donate their time during the donation period if actively on a leave of absence.
8. Donations are to a general bank, and not to a specific employee.
9. All donations are irrevocable.
10. Donors will remain anonymous.

5.2 Eligibility for Receiving Leave

- a. All eligible employees who have donated leave and have one year of service with NYPA are eligible to participate. Guidelines are as follows:
 1. Employees who would like to make a request to receive donated leave must have circumstances that qualify as a Critical Personal Situation.
 2. All requests must be made on the Critical Personal Situation Request Form.
 3. Employees making the request must have depleted all sources of paid time off, including sick time, vacation time, floating holidays, New York State Paid Family Leave (if applicable) and salary continuance (if applicable, EP 3.10).
 4. Employees will not be granted leave from the donation Bank instead of, or as a supplement to, long-term disability benefits.
 5. Full-time employees who are eligible to receive donated leave may receive up to 4 weeks in a 12-month period calculated as the 12-month period measured forward from the first day of Vacation Donation usage. Time can be taken consecutively or intermittently in full days. Part-timers may receive up to 4 weeks at a pro-rated amount.
 6. All time allocated from the donation Bank will be converted and distributed based on dollar value of the recipients' rate of pay at the time of request, not by donated hours.
 7. Illnesses and/or injuries may not be job-related.
 8. Illnesses and/or injuries must be supported by acceptable medical documentation as determined by the review committee. By signing the application for this paid leave, employees are agreeing that their personal information may be shared with the Committee making decisions on this request. Every effort will be made to maintain confidentiality.

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

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9. No donated leave will be made in excess of the amount which will result in a negative balance to the donation Bank. Balances in the Bank will be considered before distribution is made to ensure that equitable distributions are made to applicants.
10. Employees will be considered on a leave of absence (includes personal leave, Family Medical Leave, etc.) while receiving vacation pay from the Bank. This leave will run concurrent with any other leave.
11. Accruals (vacation/floating holidays/sick) will be suspended while on this leave.
12. Holidays that fall within the leave period may not be used to extend the leave period. They will be paid as part of the vacation donation and not as holiday pay.
13. Employees must continue to pay their portion of their benefit premiums.
14. Any unused time will be donated back to the Bank.
15. Such requests are not in lieu of a Reasonable Accommodation request. Approved Reasonable Accommodations may run concurrently with Critical Personal Situation Leave.

5.3 Procedure

- a. Donations to the Bank will be held annually as part of the Vacation cash out period. Employees who would like to participate in the program must complete the information required on the annual Vacation cash out form. Employees who donate time to the plan will be eligible to participate in the plan the following calendar year (i.e., donations provided at the end of 2019 will be effective for 1/1/2020 – 12/31/2020). With the introduction of the new program for 2019, employees can begin donating in 2018. Employees requesting time from the Bank will not be required to donate in 2018 to make a request.
- b. Employees who would like to make a request to receive donated leave are required to complete a Critical Personal Situation Leave Request Form and submit to Human Resources White Plains Benefits department.
- c. Requests for Critical Personal Situation Leave will be reviewed and approved by a special committee. Responses to requests will be in writing within 3 business days.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination.

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

7 REFERENCES

EP 3.1 Management Employee Categories & Eligibility for Benefits [Powernet→ Quick Links →Employee Policies → EP 3.1]
EP 3.2 Vacation [Powernet → Quick Links → Employee Policies → EP 3.2]
EP 3.3 Family and Medical Leave Act FMLA [Powernet → Quick Links → Employee Policies → EP 3.3]
EP 3.10 Management Salary Continuation [Powernet → Quick Links → Employee Policies → EP 3.10]

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 Year

9 ATTACHMENTS

Attachment 9.1: Critical Personal Situation Leave Request Form [Powernet – Human Resources – Benefits – Forms – Miscellaneous]

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	11/14/2018
Executive Owner	Saslow, Karina	11/13/2018
Content Owner	Verdesi, Brenda	11/13/2018

Amended Approval History

Requestor Name: Saslow, Karina**Comments:** Changed Catastrophic Leave to Critical Personal Situation Leave

Name	Approved Date
Garcia, Carol	12/12/2018

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

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.



**Canal
Corporation**

Policy Title:
M/C Navigation Season Stipend

Policy Number
[Document Number]


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1 of


Title: M/C Navigation Season Stipend

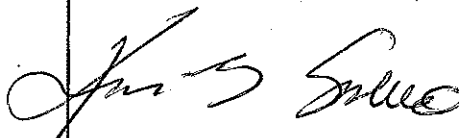
Document Type: Employee Policy

Revision Date: 10/25/2018

Reviewer	Name	Title
This document has been reviewed by: Business	Lisa Wright	Manager, Administrative Services
Legal	Lori Alesio	Associate General Counsel

Content Owner	Signature	Date
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Approver	Signature	Date
Name: Vera Pimpiano Title: Sr. Manager Payroll		10/31/2018

Approver	Signature	Date
Name: Karina Saslow Title: VP, Total Compensation & HRIS		11/2/18



M/C Navigation Season Stipend

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
10/25/2018	0	Original Issue		

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For the latest revision of this document, refer to the Canal Corporation Office of Human Resources.

Records will be retained in accordance with Canal's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to Canals.



1 PURPOSE AND SCOPE

In alignment with the collective bargaining agreement between the NYS Canal Corporation and the Public Employees Federation (PEF), Canal Corporation will provide specific Management Confidential titles with an annual bi-weekly Navigation Season Stipend recognizing the requirement that these roles need to be available outside their normal work hours to respond to problems that may arise. This availability is critical to the safety and smooth operation of the Canal System and our ability to troubleshoot and triage issues quickly.

2 APPLICABILITY

Canal Management Confidential Section Superintendent titles, Salary grade 23. These roles are responsible for the daily operation of the canal system and are on call 24/7 to respond to incidents.

This program may be modified at any time at the discretion of Canal Management.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

M/C – Management Confidential

PEF – Public Employee Federation (Union)

4 RESPONSIBILITY

Canal Human Resources

5 POLICY IMPLEMENTATION

- 5.1 Provide a \$2,400 annual stipend paid bi-weekly for the duration of the Navigation Season as defined by the business each calendar year.
 - a. Incumbents will only receive payment for time served in the Section Superintendent position during the Navigation Season and will receive compensation in the same manner as the PEF employees eligible for this Stipend.

6 VIOLATIONS

N/A

7 REFERENCES

N/A

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For the latest revision of this document, refer to the Canal Corporation Office of Human Resources.

Records will be retained in accordance with Canal's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to Canals.



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 Year

9 ATTACHMENTS

N/A

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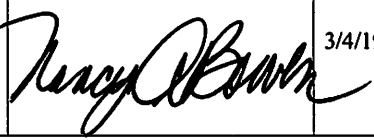
For the latest revision of this document, refer to the Canal Corporation Office of Human Resources.


Records will be retained in accordance with Canal's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to Canals.

Title: Management/Confidential Employee Handbook
Document Number: CCP-2018-004

Revision Date: [Revision Date]

Reviewer	Name	Title
This document has been reviewed by:	Lori Alesio	Associate General Counsel, HR & Labor

Content Owner	Signature	Date
Name: Nancy Bowen Title: Associate Director, Human Resources - Canals		3/4/19

Approver	Signature	Date
Name: Karina Saslow Title: VP, Total Compensation & HRIS		3/4/2019



NEW YORK
STATE OF
OPPORTUNITY™

**Canal
Corporation**

Management/Confidential Employee Handbook



NYS Canal Corporation
Canal Personnel
Revised March 2018
CCP-2018-004

MANAGEMENT/CONFIDENTIAL EMPLOYEE HANDBOOK

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ABOUT THIS HANDBOOK

The *Handbook for Management/Confidential Employees (Handbook)* is designed to serve as a useful guide for outlining the various benefits and programs available to the Management/Confidential (M/C) employees of the New York State Canal Corporation (Corporation).

This updated Handbook outlines the current programs, benefits and policies specific to M/C employees. Should any modifications occur or new programs, benefits or policies get established, M/C employees will be notified of the changes and the Handbook will be updated accordingly.

While the Handbook provides the reader with a broad spectrum of information concerning Corporation policies and procedures, it does not address all situations. Rather, this Handbook is intended to serve as a guide for resolving general questions and concerns that may arise during the course of your employment with the Corporation. As an employee, it is your responsibility to become familiar with, and to adhere to, all official policies, rules and regulations.

Every effort has been made to ensure the accuracy of this Handbook. Nevertheless, it is not a legal document. The Corporation reserves the right to unilaterally change, modify, amend, add or delete any provisions contained in this Handbook at any time. This Handbook does not create any contractual rights, expressed or implied, and is only intended for general information purposes.

M/C employees share in the responsibility for the stewardship of the resources of the Canal Corporation. This Handbook represents our commitment to you by outlining the services, quality of life benefits and the policies that foster a supportive work environment. As such, you are among our most important assets.

Questions about specific policies and procedures should be addressed to your supervisor, the Canal Personnel, or as otherwise directed by this Handbook.

MISSION STATEMENT

NEW YORK STATE CANAL CORPORATION

MISSION STATEMENT

Operate and maintain a premier waterway and trail system that honors the historic legacy of the Erie Canal and offers unique recreational and tourism opportunities, while also promoting sustainable economic development throughout the canal corridor.

THE NEW YORK STATE CANAL CORPORATION

The New York State Canal Corporation, a subsidiary of New York Power Authority, operates the New York State Canal System which includes the Erie, Champlain, Oswego and the Cayuga-Seneca Canals. These 524 miles of canals, with 57 locks and nearly 300 additional miles of accessible lakes and rivers, traverse much of our great state.

Although commercial barges continue to use the Canal System, most of the canal traffic today is comprised of recreational boating. Hiking and biking trails and pleasant picnic areas contribute to making our canal an enjoyable place for overland visitors as well. As a catalyst for economic development, the Canal System is also used for the production of hydropower, farm irrigation, wildlife conservation and municipal water supplies.

EQUAL OPPORTUNITY

The Corporation is an Equal Employment Opportunity employer and administers affirmative action/equal opportunity programs and policies that are consistent with Federal and State laws on illegal discrimination including sexual harassment and reasonable accommodations.

It is the policy of the Corporation to ensure a workplace free from illegal discrimination. Therefore, the Corporation promotes equal employment opportunity in all aspects of employment – from hiring to termination – to all persons without regard to race, color, gender, gender identity or expression, religion, age, national origin, disability, military status, marital status, sexual orientation, domestic violence victim status, or other protected categories.

No employee should be subjected to offensive, hostile or intimidating conduct either verbal or physical because of race, color, gender, gender identity or expression, religion, age, national origin, disability, military status, marital status, familial status, sexual orientation, domestic violence victim status, or other protected categories. Pervasive or persistent hostile or intimidating conduct based on a person's race, color, gender, gender identity or expression, religion, age, national origin, disability, military status, marital status, familial status, sexual orientation, domestic violence victim status, or other protected categories is prohibited.

The Corporation is committed to assuring equal employment opportunity; access to services, programs, and activities for employees and applicants; and to providing reasonable accommodations to qualified individuals with known physical or mental disabilities.

If an employee believes that he or she is a victim of illegal discrimination or needs information about the Corporation's complaint process or reasonable accommodation process, they should:

- Call the Office of Civil Rights and Inclusion at (914)-681-6246
- Submit a letter to the Office of Civil Rights and Inclusion; or
- Submit a DISCRIMINATION/SEXUAL HARASSMENT COMPLAINT (ADM-F001) for filing of a complaint or submit a REQUEST FOR REASONABLE ACCOMMODATION (ADM-F011) available from the Intranet or the Office of Civil Rights and Inclusion.

Questions about the Corporation's equal opportunity policies, sexual harassment prevention policies and reasonable accommodation policies should be directed to the Office of Civil Rights and Inclusion at accessibility@nypa.gov.

COMPENSATION AND OVERTIME

OVERTIME FOR M/C EMPLOYEES

Overtime compensation for authorized overtime worked may be paid at a rate of time and one-half to any employee at Salary Grade 23 or below for any hours worked in excess of the employee's normal workday. Approval from your supervisor is required prior to working overtime.

COMPENSATORY TIME

M/C employees eligible for overtime may choose to receive either cash payment or compensatory time for authorized overtime hours worked. If the employee does not indicate a preference, the employee will be paid in cash. Compensatory time will be computed at a rate of 1.5 times each hour of approved overtime worked. Accumulation of compensatory overtime is limited to 240 hours. Eligible M/C employees must indicate each time they report overtime hours worked, whether they wish to receive cash payment or compensatory time for overtime worked. Use of compensatory overtime is subject to advance supervisory approval. Accrued compensatory overtime will not expire and will be paid to the employee in cash at the employee's current hourly rate upon separation from service as an M/C employee.

MEAL ALLOWANCES FOR OVERTIME WORK

An overtime Meal Allowance of \$6.00 may be available if an employee is eligible for overtime compensation and works authorized overtime. Questions regarding eligibility for Meal Allowances for Overtime Work should be directed to the employee's supervisor or the Payroll Unit.

DUTY OFFICER ASSIGNMENT

An employee eligible for overtime and serving in a duty officer assignment on a standby basis will be paid 20% of the employee's daily rate of pay for each 24 hour period actually served as a duty officer and remaining available for recall to duty. In the event the employee is actually called to work within the 24 hour period, other than for a normal workday, the employee will be paid at the appropriate overtime rate for the period worked instead of the 20% rate.

Effective March 23, 2017, non-overtime eligible Management/Confidential (M/C) employees in Grades 24 through 31, with the exception of Division Engineers and Department Heads, will be eligible to receive a prorated stipend for serving as a Duty Officer. As outlined below, the stipend for M/C employees in Grades 24 through 31 will be paid quarterly based on the number of 24-hour periods served as Duty Officer. Payment will be included in the employee's paycheck in the last pay period of the month following the end of the quarter.

<u>Number of 24-Hour Periods as Duty Officer During the Quarter</u>	<u>Quarterly Stipend</u>
0-4	\$0
5-9	\$375
10+	\$750

EMERGENCY CALL-OUT

Time worked when an employee is called out in an emergency before or after regular working hours will be paid at the employee's overtime rate of pay for a minimum of four hours, provided the employee is eligible to earn overtime. If an employee is called out in an emergency more than once in a four-hour period, the employee will be paid at the employee's overtime rate for a minimum of four hours for the last call-out and for the time actually worked on the preceding call-outs. The time worked must not extend into, or be a continuation of, the employee's regularly scheduled shift or workday. If time worked does extend into, or is a continuation of, the employee's regularly scheduled shift or workday, the employee will be paid at the employee's overtime rate for the time actually worked.

TRAVEL REIMBURSEMENT

When duties require an employee to travel out of town, the employee will be reimbursed according to the maximum allowances provided Federal employees for lodging and meals supported by receipts.

Unreceipted lodging and meal expenses will also be reimbursed pursuant to the most current Finance and Accounts Bulletin on Travel Rates.

A mileage allowance rate equal to the prevailing Internal Revenue Service mileage allowance for business expenses is available if the employee has supervisory approval to use a personal vehicle for business.

REIMBURSEMENT FOR PERSONAL PROPERTY DAMAGE

Reimbursement for personal property damaged or destroyed in the course of performance of duties may be available through the Canal Corporation Small Claims Procedure.

OUT-OF-TITLE PAY

At the discretion of a supervisor, if an employee is qualified for and assigned to perform the essential duties of a higher-level position, the employee may receive out-of-title pay for each assignment of one consecutive hour or more. [Confidential Employees only - see "Appendix A"].

SALARY OF STATE EMPLOYEES UPON TRANSFER/PROMOTION

Employees who transfer or are promoted from the State on or after April 1 are not eligible to receive any general salary increases otherwise due Corporation employees that year.

Employees who transfer from the State after January 13 are not eligible to receive Corporation experience payments until June 30 of the following year.

HEALTH INSURANCE BENEFITS

HEALTH INSURANCE

M/C Employees Hired Before August 4, 2005

M/C employees hired before August 4, 2005 will contribute at the rate of 10% of individual and, if applicable, 25% of the additional cost of Family coverage as of January 1, 2018.

M/C Employees Hired On or After August 4, 2005 but prior to September 1, 2015

M/C employees hired after August 3, 2005 but prior to September 1, 2015 will contribute at the rate of 10% of Individual and, if applicable, 25% of the additional cost of Family coverage as of January 1, 2018.

Beginning January 1, 2019, contributions for M/C Employees hired before September 1, 2015 will be phased in as follows:

Salary Grade 9 & Below:

- 12% of individual and, if applicable, 27% of the additional cost of Family coverage as of January 1, 2019.

Salary Grade 10 and Above:

- 13% of individual and, if applicable, 28% of the additional cost of Family coverage as of January 1, 2019.
- 14% of individual and, if applicable, 29% of the additional cost of Family coverage as of January 1, 2020.
- 15% of Individual and, if applicable, 30% of the additional cost of Family coverage as of January 1, 2021.
- 16% of individual and, if applicable, 31% of the additional cost of Family coverage as of January 1, 2022.

M/C Employees Hired On or After September 1, 2015

M/C employees hired on or after September 1, 2015 will contribute at the following rates:

- 12% of Individual and, if applicable, 27% of the additional cost of Family coverage (Gr. 9 and below)
- 16% of Individual and, if applicable, 31% of the additional cost of Family coverage (Gr. 10 and above)

Employees enrolled in the Empire Plan will pay the applicable percentages above based on the Empire Plan's premium. Employees enrolled in a HMO with a premium greater than the Empire Plan will pay the applicable percentages above based on the Empire Plan's premium plus the full amount of the additional cost above the Empire Plan premium.

Employees enrolled in a HMO with a premium less than the Empire Plan will pay the applicable percentages above based on their HMO's premium.

Domestic Partners will be eligible for medical coverage provided they meet the Civil Service qualifying criteria.

Employees who are eligible for health insurance coverage and decline enrollment, may receive a cash payment on an annual basis for opting out of such coverage provided the employee demonstrates to the Corporation's satisfaction that they have alternative health insurance **other than NYSHIP**. The annual opt out payment is \$1,500 for individual coverage and \$3,000 for dependent coverage.

Productivity Enhancement

M/C employees in salary Grades 24 and below will be eligible to use up to three (3) vacation days to help pay for annual health insurance contributions. Additional information regarding this program will be provided later this year.

Any questions pertaining to health insurance benefits should be directed to Canal HR&Labor, WPO - Benefits at: CanalHR&Labor@nypa.gov or (914) 287-3681.

PRESCRIPTION DRUG COVERAGE

Individual and dependent prescription drug coverage is available to employees enrolled in the Health Insurance Program. The cost of prescription drug coverage is included in the health insurance premiums

DENTAL INSURANCE

Individual and family dental insurance coverage is available at no cost to employees enrolled in the Management/Confidential Dental Plan. Contact Canal HR&Labor, WPO - Benefits at: CanalHR&Labor@nypa.gov or (914) 287-3681 for details.

VISION CARE PLAN

A vision care plan is available at no cost to employees and their dependents. For more information contact Canal HR&Labor, WPO - Benefits at: CanalHR&Labor@nypa.gov or (914) 287-3681.

GROUP LIFE INSURANCE

M/C GROUP TERM LIFE INSURANCE PROGRAM

Life insurance is available for employees, their spouse and dependent children through the M/C Group Life Group Insurance Plan. The plan is administered by the New York State Department of Civil Service. The cost of coverage varies by age, smoking status, the number of dependents and the amount of coverage selected.

Application forms, rate sheets and further information are available from Canal Personnel at: CanalPersonnel@canals.ny.gov, or CanalHR&Labor,WPO - Benefits at: CanalHR&Labor@nypa.gov, or call (914) 287-3681.

LONG TERM CARE INSURANCE

Long term care insurance is available for employees, their spouse, parents, parents-in-law and dependent children (ages 18-24). Coverage is provided for the extended care in a nursing home or at home, in an assisted living facility, adult day care or hospice for those unable to carry out the basic activities of everyday living. The insurance is available through the New York State Public Employees and Retiree Long Term Insurance Plan (NYPERL). The cost of coverage varies by age (premiums are paid directly to the insurance carrier via payroll deduction).

Enrollment kits and further information are available by calling MedAmerica's NYPERL Customer Service number at 1-866-474-LTCI (5824), or by visiting the NYPERL website at www.NYPERL.net.

RETIREMENT AND DEATH BENEFITS

RETIREMENT BENEFIT FOR M/C EMPLOYEES

Membership in the Retirement System will provide for a lifetime pension upon retirement subject to service requirements. Membership is mandatory for permanent full-time employees and optional for temporary and less than full-time employees as defined by the Retirement System.

Benefits and contribution requirements are based on membership date and years of service. Further information may be obtained through Canal HR&Labor, WPO – Benefits at: CanalHR&Labor@nypa.gov or (914) 287-3681, or by contacting the Retirement System directly at 518-474-7736 or 1-866-805-0990 or by email at www.osc.state.ny.us/retire.

VOLUNTARY DEFINED CONTRIBUTION PROGRAM

The New York State Voluntary Defined Contribution Program (VDC) is a defined contribution Retirement Plan which includes an employee and employer contribution and is an alternative to the defined benefit plans including the Employee Retirement System (ERS). Eligibility for the NYS VDC Program is limited to unrepresented employees of the New York State public agencies hired on or after July 1, 2013 with an estimated annual salary rate of \$75,000 or greater. Eligible employees have 30 days after their hire date into a position with mandatory Retirement System participation to enroll in the VDC Program.

DISABILITY RETIREMENT BENEFITS

Members of the Retirement System who become permanently incapacitated as a result of a medical condition, and are unable to perform their job may be eligible for a disability retirement allowance.

DEATH BENEFITS

Subject to eligibility requirements, a death benefit will be paid to an employee's beneficiary if the employee dies while in service and is a member of the Retirement System.

ACCIDENTAL DEATH BENEFIT

In addition to a Retirement System death benefit, a \$50,000 accidental death benefit will be paid to the survivors or the estate of a Management/Confidential employee who dies as a result of an accepted accidental on-the-job injury. This benefit may also be paid in those instances when a Management/Confidential employee dies as a result of an injury suffered while en-route to work in response to an emergency call. Children of the deceased employee receiving this death benefit are eligible for full tuition at the Corporation's expense to attend any of the State University's Colleges, providing they meet the institution's entrance requirements.

SOCIAL SECURITY

Employees are covered under the provisions of Federal Social Security system.

SURVIVOR'S BENEFIT FOR ACTIVE AND RETIRED M/C EMPLOYEES

A benefit of \$3,000 is provided to the beneficiaries of deceased retirees who have met program service requirements.

A survivor's benefit may be available to the beneficiary of a deceased active employee under the terms of the SURVIVOR'S BENEFIT PROGRAM POLICY (25-3-03).

UNEMPLOYMENT INSURANCE BENEFITS

Corporation employees are covered by the provisions of the New York State Unemployment Insurance Law. If an employee ceases working for the Corporation through no fault of their own, they may be eligible to receive weekly Unemployment Insurance Benefits. More information is available from local Unemployment Insurance offices.

EMPLOYEE ASSISTANCE PROGRAM

The Employee Assistance Program (“EAP”) is a free, confidential assessment and referral service available to employees and their families. Assistance is available to help identify resources available to resolve a variety of personal or work-related problems.

The Canal Corporation has contracted with Corporate Counseling Associates, an independent consulting group, to provide professional assistance on a confidential basis to employees and their dependents. A counselor will assess your problem and, if needed, make a referral to other outside resources for treatment or help in resolving the problem, monitor treatment progress and, where necessary, design a follow-up program.

If you require EAP service, please call the 24-Hour HELPLINE at 1-800-833-8707.

Information about services and CCA can be found on the Canal Corporation Intranet page.

CANAL PASSES FOR M/C EMPLOYEES

CANAL PASS

Canal Corporation employees hired before November 20, 2008, and retirees of the Canal Corporation will be granted, upon displaying acceptable identification to the operation personnel, free passage through locks and lift bridges. While on the system, employees are to be observant of conditions and situations which may require attention of Canal maintenance and/or supervising staff and must report such information to appropriate Canal personnel at the first opportunity.

Employees hired after November 19, 2008, are not eligible for free passage on the Canal through locks and lift bridges.

ADDITIONAL BENEFIT OFFERINGS

DEFERRED COMPENSATION PLAN

Employees may opt to participate in the New York State Deferred Compensation Plan. This voluntary savings plan enables employees to save and invest a portion of their gross pay either before or after Federal and State Income Taxes are deducted. Additional information and enrollment materials are available from Canal Personnel or via the Plan's website: www.nysdcp.com, or Helpline at 1-800-422-8463.

DIRECT DEPOSIT

Direct Deposit allows for the automatic deposit of an employee's paycheck into checking and/or savings accounts of their choice at a bank or credit union. Employees have the option of depositing all or a portion of their paycheck into one or several accounts.

Additional information and enrollment form for Direct Deposit are available from Canal Personnel or via the Canal Intranet.

PARKING FACILITIES

The Corporation will not charge Management/Confidential employees for parking personally owned vehicles at any regularly established work location of the Corporation.

COLLEGE SAVINGS PLAN

The New York State's 529 College Savings Plan allows employees to save for future college expenses on a tax deferred basis. Contributions are New York State tax exempt and must be held in the account for a minimum of three years. Additional information and enrollment materials for the College Savings Plan are available from Canal Personnel.

FLEXIBLE SPENDING ACCOUNTS

The Flexible Spending Plan is a benefit open to all permanent or contingent permanent employees of the Corporation who work at least 50%. Non-permanent part-time, seasonal and temporary employees are not eligible for this benefit. Accounts are tax savings programs. Employees may contribute pre-tax dollars to health care and/or dependent care accounts through payroll deduction, for reimbursement of these expenses. Additional information and enrollment materials are available from Canal Personnel or via the Canal Intranet.

TUITION ASSISTANCE

Permanent full time M/C employees may be eligible to receive 90% of the cost of tuition for a maximum of 15 credits per calendar year for approved formal educational courses offered by high schools (including high school equivalency diploma programs and

BOCES), degree-granting colleges and universities accredited by the New York State Education Department or a regional accrediting organization, or in cardiopulmonary resuscitation/first aid training that is certified by the American Red Cross. For M/C employees, the courses must be related to their position or future career opportunities with the Corporation. Courses and coursework must be completed during off-duty hours without using Corporation equipment and resources.

Applications for tuition assistance must be submitted for approval to a supervisor and Canal Personnel, at least five weeks prior to the course start date. Applications submitted after the course start date will be rejected. When the course is successfully completed, the employee must promptly submit a grade certification. If the course is not successfully completed, or if the employee resigns or is terminated from Corporation employment due to disciplinary reasons before completing the course, the amount of tuition assistance received must be returned to the Corporation.

The Policy entitled TUITION ASSISTANCE PROGRAM (25-3-02) describes eligibility criteria and program requirements. Further information is available from Canal Personnel.

Failure of an employee to comply with the requirements of the Tuition Assistance Program shall result in suspension from future participation in the program and/or disciplinary action that may result in termination of employment.

PROFESSIONAL ORGANIZATIONS

The Corporation will reimburse 50% of the cost of dues or membership fee of one professional organization in a job-related discipline, up to \$50 per calendar year.

ATTENDANCE AND LEAVE

In addition to the information provided here, expanded attendance and leave information is contained in the ATTENDANCE RULES (CCP-2018-002).

WORKDAY, WORKWEEK

Corporation offices are open for operation during the standard work week of Monday through Friday from 8:30 a.m. to 4:30 p.m. The standard workday is 7.5 hours and the standard work week is 37.5 hours. However, where such an arrangement is in the interest of the Corporation, it may be possible to work an alternate work day/work week including fewer days of longer hours each day upon agreement of the employee's supervisor and with approval of the employee's Department Head/Division Director. Notification to the Director of Canal Personnel and Director of Administrative Services is required.

CANAL CORPORATION EXPECTATIONS

The Corporation expects employees to maintain a satisfactory record of attendance. Daily attendance at work is essential to accomplish the objectives of the Corporation. Proper and judicious use of leave by employees will help insure that work is accomplished in an effective and timely manner. Employees have a responsibility to adhere to work schedules and report to duty in a condition fit for work. Excessive or inappropriate absences may be grounds for disciplinary action up to and including employment termination.

HOLIDAYS

Employees will receive leave with pay for 12 holidays each year. Eight of the holidays (New Year's Day, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day) have scheduled days of observance. Holidays falling on Saturdays will be observed on Fridays and holidays falling on Sundays will be observed on Monday. Four of the holidays (Lincoln's Birthday, President's Day, Columbus Day and Election Day) are floating holidays which may be taken, in not less than one-quarter hour units, at other times of the year subject to supervisory approval.

MEMORIAL DAY AND VETERAN'S DAY PROVISIONS FOR VETERANS

Veterans who meet eligibility requirements under §63 of the Public Officers Law who are assigned to work and who work on the holiday designated for the observance of Memorial Day or Veteran's Day are eligible for a compensatory day off.

Information regarding the designation of holidays and floating holidays will be provided in an annual bulletin.

VACATION LEAVE

Employees with no previous Corporation/State service will, upon completion of 13 biweekly pay periods of service in full pay status, be credited with 6.5 days of vacation. Thereafter, employees will earn and accumulate vacation credit at the rate of one-half day per biweekly pay period.

Employees will also earn on January 1 of each year, additional vacation in accordance with the following schedule:

<u>Completed Years of Continuous Service</u>	<u>Additional Vacation Credits Earned</u>
1	1 Day
2	2 Days
3	3 Days
4	4 Days
5	5 Days
6	6 Days
7	7 Days

During the second through the seventh year of continuous service, one-half of the additional vacation credits earned during the current year of service will be credited on July 1 and the remainder on the next succeeding January 1.

Following the January 1 on which an employee has earned seven days of additional vacation credit, the method of awarding vacation credits changes to a consistent biweekly credit which equals 20 days for 26 pay periods.

Subject to Corporation Attendance Rules, long term Corporation/State employees will earn additional vacation credits each year as follows:

<u>Completed Years of Corporation/State Service</u>	<u>Additional Vacation Credits Earned *</u>
20 to 24	1 Day
25 to 29	3 Days
30 to 34	4 Days
35 or more	5 Days

** One half of the credits earned will be credited on January 1 and the remaining half on July 1.*

Rules Governing Vacation Crediting and Use

- Advance supervisory approval must be obtained in order to use vacation credits;
- Employees removed from the payroll for more than one-half a pay period will not earn vacation credits in that pay period;
- Breaks in service of six months or more will usually not be counted in determining eligibility for additional vacation credits;
- Employees who accumulate more than 40 days of vacation credits in a calendar year must use the amount over 40 days or lose it on the last day of the calendar year;
- Upon separation from service by resignation (with 2 weeks' notice), layoff, retirement, or death, employees or their estate or beneficiary will be paid for unused vacation up to 30 days;
- Employees who work on a percentage basis of at least 50% will earn leave credits proportionate to the established percentage; and
- In the event of a dismissal for cause, employees will not be compensated for vacation credits.

SICK LEAVE

Sick leave is an absence necessitated by the illness or injury of the employee and approved by the Corporation.

Employees earn sick leave at the rate of one-half day per biweekly pay period. Employees appointed after June 18, 1992 and who are new to Corporation/State service will earn sick leave credits at the rate of 10 days for each of the first four years of service; 12 days for the fifth year of service; and 13 days for each year thereafter.

Employees must notify their supervisor at the beginning of each workday when they are going to be absent due to illness or injury. Earlier notification may be required when work conditions warrant.

Before an absence may be charged to sick leave, employees may be required to submit documentation of the need to be absent from work. When approved by the Corporation, absences may be charged against sick leave credits for personal visits to a doctor, dentist, or other health care provider or up to 15 days per calendar year for family illness. Proof of need for such absence may be required.

Rules Governing Sick Leave Crediting and Use

- Maximum sick leave accumulation is 200 days;
- Transfer of sick leave to or from other public employers will be in accordance with any appropriate Reciprocal Agreement between the Corporation and the New York State Department of Civil Service or other public entity;
- Employees who are reinstated may be eligible for restoration of prior accumulated sick leave;

- Employees who are removed from the payroll for more than one-half of a pay period will not earn sick leave in that pay period; and
- Abuse of sick leave privileges may result in disciplinary action.

Family Sick Leave

Absences due to family illness or death in the employee's family may be charged against accrued sick leave subject to supervisory approval up to a maximum of 15 days per calendar year. "Family" is defined as spouse, parents, children, brothers, sisters or grandparents of the employee or employee's spouse and all persons for whom the employee is legally responsible.

Family and Medical Leave Act (FMLA)

The Corporation's leave policies are in compliance with the requirements of the Family and Medical Leave Act (FMLA). Additional information concerning FMLA is available from Canal HR&Labor at: CanalHR&Labor@nypa.gov or (914) 287-3681.

Paid Family Leave

The Corporation offers Paid Family Leave (PFL) for M/C employees. This benefit provides job-protected paid time away from work to care for a family member as mandated by New York State.

PFL may be used to:

- Bond with a newly-born, adopted or fostered child,
- Care for a family member with a serious health condition or;
- Assist loved ones when a family member is called to active military service abroad.

Eligibility for PFL:

- M/C employees with a regular work schedule of 20 or more hours per week are eligible for PFL after 26 weeks of employment.
- M/C employees with a regular work schedule of less than 20 hours per week are eligible for PFL after 175 days worked.

Premiums:

M/C employees will pay for PFL coverage through a payroll deduction.

Benefits: As of 2018, M/C employees can take up to eight weeks of PFL and receive 50% of his/her average weekly wage, capped at 50% of the New York State average weekly wage (\$652.96/week for 2018). Generally, the average weekly wage is the average of the last eight weeks of pay prior to starting Paid Family Leave.

The benefits will continue to be phased in over four years. **Starting January 1, 2019**, the number of weeks of leave, as well as the weekly benefit will increase as follows:

PFL Benefits Increase Through 2021		
Year	Weeks of Leave	Benefit
2018	8 weeks	50% of employee's AWW, up to 50% of SAWW
2019	10 weeks	55% of employee's AWW, up to 55% of SAWW
2020	10 weeks	60% of employee's AWW, up to 60% of SAWW
2021	12 weeks	67% of employee's AWW, up to 67% of SAWW

(State Average Weekly Wage – SAWW)

The New York State Average Weekly Wage (SAWW) is \$1,357.11. Therefore, the maximum weekly PFL benefit for 2019 will be \$746.41.

Questions concerning PFL should be directed to Canal HR&Labor at: CanalHR&Labor@nypa.gov or (914) 287-3681.

Medical Evaluation

The Corporation may require employees to be examined by a physician designated and paid for by the Corporation. Medical evaluations may be required to determine:

- The appropriateness of an absence and/or charging of an absence against accumulated leave credits; or
- The ability to return to work following an absence; or
- The ability to perform the duties of the position when there is a question whether:
 - (a) The employee can perform the essential duties of the job with or without accommodation; or
 - (b) The employee's presence at the work site is disruptive to operations; or
 - (c) The employee poses a safety hazard to others; or
 - (d) The employee is disabled from a claimed Workers' Compensation injury or cannot return to work following such claimed injury; or
- The appropriateness of granting sick leave at one-half pay or leave without pay.

Extended Sick Leave

The Corporation may advance an employee up to five days of sick leave credits when absent due to personal illness or injury and when the employee has exhausted accumulated sick leave and vacation credits. Advanced sick leave credits are to be repaid, as soon as practicable from subsequent accumulations of leave credits. At no time can the total amount of advanced sick leave credits exceed five days. The value of advanced credits not repaid will be deducted from the employee's wages at the time of separation.

Sick Leave at Half Pay

The Corporation may grant sick leave at half pay for personal illness or injury to a permanent employee with at least one year of Corporation/State service, upon the exhaustion of sick leave, vacation, and Overtime Compensatory Leave credits, subject to the following guidelines:

1. The employee must, by reason of personal illness, disability or injury, be unable to perform the essential duties of the position. The Corporation may require the employee to undergo a physical examination by its own physician to verify this fact;
2. The employee's past record in the areas of attendance and work performance must be satisfactory;
3. The cumulative total of all sick leave at half pay granted over an employee's career may not exceed one pay period for each completed six months of service; and
4. When leave is FMLA approved, personal leave credits must be exhausted in addition to vacation and sick leave credits.

The Corporation may, subject to items (1) and (3) above, grant sick leave at half pay in all Workers' Compensation cases, after the use of all Workers' Compensation Leave, sick leave, vacation and personal leave credits, except where the case is initially controverted and provided that the total period of absence does not exceed that set forth in Section 71 of the Civil Service Law (See "Workers' Compensation Leave"). In claimed Workers' Compensation cases, such leave will not be granted where an examination by the Worker's Compensation Claims Administrator physician does not show evidence of Workers' Compensation Disability.

Sick Leave at Retirement

Upon retirement, the value of unused sick leave (up to 200 days) will be applied toward the retiree's portion of the monthly health insurance premium. Unused sick leave, up to a maximum of 200 days, at the time of retirement will also be used for additional retirement service credit.

LEAVE DONATION PROGRAM

The Leave Donation Program provides a means of assisting employees who, because of long-term personal illness, have exhausted their accrued leave credits and would otherwise be subject to a loss of income during their absence from work. M/C employees may be eligible to donate vacation credits to a fellow M/C employee to be used as sick leave when that employee has exhausted leave and is absent due to a personal illness. M/C employees may also receive donated vacation credits from other M/C employees to use for personal sick leave. Questions regarding the Leave Donation Program should be directed to Canal HR&Labor at: CanalHR&Labor@nypa.gov or (914) 287-3681.

CHILD CARE LEAVE

Permanent employees are eligible for child care leave without pay for a period of up to one year from the date of birth or adoption of a child.

For foster care purposes, up to 12 weeks of child care leave without pay may be granted.

PERSONAL LEAVE

Personal leave is leave with pay for vacation or for personal business, including religious observance. Employees are credited with five days of personal leave each year as of the first full pay period in January. Special rules apply to individuals who transfer to Corporation positions. New employees, first subject to the Attendance Rules, will receive a prorated amount of personal leave for the remainder of the year upon appointment. Personal leave is not cumulative, and any personal leave credit remaining on the date preceding the first full pay period in January of each year will be forfeited. Unused personal leave may not be liquidated into cash at the time of separation, retirement or death. Use of personal leave is subject to advance supervisory approval.

LEAVE FOR BREAST CANCER SCREENING

Employees are eligible for up to four hours leave per year without charge to leave accruals for breast cancer screening scheduled during regular work hours. A maximum of four hours per year may be used for one or more screenings per year and reasonable travel time. Any time over four hours must be charged to leave accruals.

LEAVE FOR PROSTATE CANCER SCREENING

Male employees may be granted up to four hours of paid leave per year for prostate cancer screening, including reasonable travel time, without charge to leave credits if scheduled during regular work hours. An employee who undergoes such screenings outside his regular work schedule must do so on his own time. For example, employees are not granted compensatory time off for prostate cancer screenings that occur on a pass day or before or after work hours for that day.

WORKERS' COMPENSATION LEAVE

If an employee is necessarily absent from duty because of occupational injury or illness as defined in the Workers' Compensation Law, the employee will be permitted to use leave credits upon giving notice and providing medical documentation of the need for such absence to the Corporation. The employee will be allowed leave for the period of absence necessitated by such injury or illness, up to a cumulative total of one year, including any periods of such absence during which leave credits are drawn.

Upon exhaustion of sick leave, vacation and personal leave, the employee may be granted sick leave at half pay in accordance with that program's guidelines (See "Sick Leave at Half Pay").

If an employee uses leave credits for Workers' Compensation Leave, those credits will be restored for any period of absence for which an award of compensation has been made and credited to the Corporation as reimbursement for wages paid. Credits restored may not be used for future absences attributable to the same injury.

Employees may attend Workers' Compensation Hearings for the time required for the hearings and a reasonable amount of travel time without charge to leave credits.

LEAVE FOR PROMOTION AND PROFESSIONAL EXAMINATIONS AND JOB INTERVIEWS

Time off without charge to leave accruals may be available for participating in:

1. New York State Civil Service examinations held during scheduled working hours;
2. Interviews resulting from an employee's standing on a New York State Civil Service eligible list;
3. Transfers not initiated by the employee; and
4. One professional examination held during scheduled working hours per year.

Additional information is contained in the ATTENDANCE RULES (CCP-2018-002) and Administrative Services Bulletin VEHICLE USE AND TIME OFF FOR INTERVIEW AND CIVIL SERVICE EXAMINATION PURPOSES (96-30).

LEAVE OF ABSENCE FOR PROBATIONARY EMPLOYEES

Employees who hold a permanent position and are appointed or promoted to another position in the Corporation or promoted or transferred to a position in State service may be granted a leave of absence for the duration of the probationary term in the position to which they are appointed.

LEAVE FOR EXTRAORDINARY CONDITIONS

The Corporation may, at its discretion, grant leave under the following circumstances:

1. In the event extraordinary weather conditions develop before the commencement of a workday where appropriate public announcement has been made, the Corporation may direct employees to remain away from work. Such time may be charged against accumulated vacation, personal or sick leave credits, at the employee's option. If extraordinary weather conditions develop after the commencement of the workday, and employees are directed to leave work, they will not have to charge the time to accumulated leave; or
2. In the event employees have reported to duty and are directed to leave work because extraordinary circumstances beyond their control make their duty station uninhabitable, their absence for the remainder of that day will not be charged against accumulated leave.

The provisions of subsection (1) above do not apply to employees whose duties are of an essential nature and whose presence is required at their duty stations.

MILITARY LEAVE

The Corporation provides Military Leave to employees absent on ordered military duty, in accordance with the New York State Military Law.

Leave with Pay

30 calendar days or 22 workdays, whichever greater, of leave with pay is available in any one calendar year or period of continuous ordered military duty. Some employees may be eligible for additional leave with pay.

Leave without Pay

Employees who exceed the leave with pay allotment are eligible for leave without pay for additional ordered military duty or may elect to use appropriate accumulated leave credits instead of leave without pay.

LEAVE FOR JURY DUTY AND COURT APPEARANCES

The Corporation provides eligible employees with time off, with pay and without charge to leave credits, to serve on jury duty or as a subpoenaed or otherwise ordered witness in court or before a quasi-judicial body, provided the employee is not a party to the action. Some employees may be eligible for time off with pay when a party to an action.

Employees must submit satisfactory proof of the necessity of jury service, or attending court, pursuant to subpoena or other order.

If an employee is required to appear in any court for the purpose of testifying because of any accident they may have been involved in or witnessed while in the Corporation's service during working hours, they will be considered as working and will be paid accordingly.

Additional information concerning Leave for Jury Duty and Court Appearances may be obtained from Canal Personnel at canalpersonnel@canals.ny.gov.

LEAVE FOR BLOOD DONATION

Supervisors may approve, without charge to leave credits, time needed for an employee to donate blood during a workday either at a bloodmobile visiting a work location or in response to an emergency request made by the Red Cross. Approval is subject to work priorities.

VOLUNTEER FIREFIGHTERS

Volunteer firefighters who are late reporting for work because they were fighting a fire or engaged in other emergency fire department or volunteer ambulance services will have their lateness excused by the Corporation. Lateness due to emergency fire department duties other than firefighting duties, such as time for standing by, cannot be excused. Excused lateness cannot exceed three days per year.

CIVIL DEFENSE DUTIES

The Corporation grants leave with pay for Civil Defense duties in accordance with Section 21.13 of the Department of Civil Service Attendance Rules.

PERFORMANCE EVALUATION

PROBATIONARY SERVICE REPORTS

The purpose of a probationary period is to fully evaluate the performance of an employee who has been permanently hired, or promoted, into a position. Prior to appointment, employees have generally demonstrated that they possess the necessary knowledge, skill, and/or abilities required for successful job performance by meeting the minimum qualifications for the position and, for competitive positions, through the examination process. The probationary period is the time during which the probationer demonstrates the use of knowledge, skills, and abilities and the supervisor evaluates on-the-job performance. This period also provides an opportunity to determine if the employee has good attendance habits. The supervisor is required to prepare periodic probationary evaluations regarding the employee's on-the-job performance. The probationary evaluations provide the supervisor with the basis for making a recommendation as to the completion of the probationary term. Generally, it is sound management practice to use the full probationary period. As a result, probationary terms are usually carried to the maximum period. The use of the full probationary term should not be considered to be a negative reflection of one's performance. However, if the performance of the probationer is not satisfactory, the services of the employee may be terminated any time after eight weeks and up to the maximum period of probation.

ANNUAL PERFORMANCE RATING PROGRAM

Corporation supervisors annually rate and report the work performance of each employee under their jurisdiction as either satisfactory or unsatisfactory. An unsatisfactory performance rating affects eligibility for salary advances and sick leave at half-pay. Questions about the Performance Rating Program should be directed to a supervisor, or Canal Personnel.

PERSONAL HISTORY FOLDERS

Employees may review their personal history folder by contacting Canal Personnel. They may also be provided copies of material which is filed in their personal history folder and may submit a response to anything in their folder which they consider adverse. Copies of responses will be given to the originator of the adverse material.

An M/C employee (see “*Appendix A*”) may make a written request to have any item which is more than three years old removed from their personal history folder, which they consider to reflect adversely on their work performance or character, except items that have been used to support an unsatisfactory performance rating which was subsequently sustained and items which are part of a disciplinary proceeding.

HEALTH AND SAFETY

The safety and health of Corporation employees and customers is of first consideration in the operation of the Corporation. Therefore, it is the policy of the Corporation to provide for the health and safety of its employees and customers by maintaining safe, healthful work conditions and operating practices. Occupational health and safety rules, regulations, policies, procedures and guidance are available on the Intranet, from supervisors or by calling Canal Safety and Health at 518-449-6000.

SAFETY SHOES AND SAFETY GLASSES

The Corporation will provide safety shoes and safety glasses to employees whose position requires them to wear such. Employees will be provided with one pair of safety glasses including prescription glasses (with tinted lenses when prescribed) and will be reimbursed up to \$150.00 for one pair of safety shoes, or \$100.00 per pair for up to two pairs, for an initial pair or replacements due to wear and tear.

The Corporation will also replace safety glasses and will reimburse employees for the replacement of safety shoes when replacement is made necessary by wear or damage on the job or, in the case of safety glasses, by changes in prescription.

Employees provided safety equipment or reimbursed for safety equipment are required to use it.

DRUG TESTING

It is the Corporation's policy to ensure that its employees are provided a safe and healthful workplace in which to conduct business, and that all employees are fit for duty throughout the workday.

Pursuant to the Omnibus Transportation Employee Testing Act (OTETA) and the United States Coast Guard (USCG) Drug Testing requirements, employees, depending upon job title and assigned duties, may be subject to drug and alcohol testing.

Questions concerning the drug and alcohol testing program may be referred to the Office of Employee Relations at (518) 449-6003.

DEFENSE AND INDEMNIFICATION OF M/C EMPLOYEES

The Corporation shall, to the degree and extent provided by Section 18 of the New York State Public Officers Law, provide for the defense of an M/C employee in any civil action or proceeding arising out of an alleged act or omission by the employee while on duty and while acting within the scope of his or her employment.

The Corporation's duty to defend is conditioned upon (i) the employee's written request to the General Counsel, within ten (10) days after service of legal process upon the employee, and (ii) the employee's full cooperation in the defense of such action or proceeding.

The shall indemnify and save harmless an M/C employee from the amount of any judgment (or settlement when approved by the Board) when the act or omission from which the judgment or claim arose occurred while the employee was acting within the scope of his or her employment. The duty to indemnify shall not apply where the damage resulted from intentional wrongdoing or recklessness by the employee.

Questions regarding this part should be directed to the Corporation General Counsel.

STANDARDS OF CONDUCT

Corporation employees are required to follow established rules and procedures as well as conduct themselves appropriately in the workplace. Sanctions, up to and including dismissal from employment, may be imposed against employees who are incompetent and/or engage in misconduct.

Section 75 of the Civil Service Law outlines the rights of certain employees charged with acts of misconduct or incompetence. Section 75 provides that employees who are not serving a probationary period shall not be removed or otherwise subjected to any disciplinary penalty except for incompetence or misconduct shown after a hearing upon stated charges. Employees covered by Section 75 are those who:

- Hold a permanent appointment in the competitive class; or
- Are eligible veterans as defined in Section 85 of the Civil Service Law who do not hold positions designated as confidential or requiring the performance of functions influencing policy; or
- Are exempt volunteer firefighters as defined in the General Municipal Law; or
- Have completed five continuous years of service in the noncompetitive class since last entry into State service and do not hold positions designated as confidential or requiring the performance of functions influencing policy.

USE OF CORPORATION PROPERTY/RESOURCES

Corporation property and resources including, but not limited to, facilities, materials, equipment, tools, official stationery, and personnel are provided to employees for the conduct of Corporation business. The use (including borrowing) of Corporation property for purposes not in the interest of Corporation functions or business is strictly prohibited and may result in disciplinary action up to and including dismissal.

See Executive Instruction entitled USE OF CORPORATION PROPERTY/RESOURCES (ASB-2018-019) for more information.

PC, EMAIL AND INTERNET USE

The Corporation provides PCs, email and Internet services to employees and other third parties to conduct official business inside and outside of the organization.

There is no expectation of privacy when using such PCs and services as they are at all times the property of the Corporation. The Corporation reserves its right to monitor all usage and review the contents of such activity including any electronically stored information resulting from the use of PCs, email and Internet services without notification to or permission by employees or other individuals and to disclose, release and/or otherwise take appropriate action on such usage and electronically stored information.

The use of PCs, email and Internet services is subject to, and must be in compliance with, all internal policies and applicable federal, state, and local laws, rules, and regulations.

Creating, copying, transmitting, viewing, downloading or storing any communications and/or materials that may be considered defamatory, obscene, sexually explicit, harassing in nature or in violation of any other Corporation policies is prohibited. Additional prohibited activities include, but are not limited to, engaging in personal business, illegal activities, campaigning, unauthorized solicitations and accessing personally established email services.

The use of PCs, email and Internet services shall be for business purposes to support Corporation business activities and to further its goals. Brief and infrequent use of PCs, email and Internet services for non-business purposes is permitted. Such use shall be consistent with the Corporation Policy entitled POLICY GOVERNING USE OF INFORMATION TECHNOLOGY AND SYSTEMS (IT-2017-001). Violations may result in termination of access to email and Internet services and/or disciplinary action. Violators may also be referred for appropriate civil or criminal prosecution.

Employees may direct security questions or concerns to the Information Security Officer. Questions about appropriate use should be directed to supervisors

DRUGS AND ALCOHOL

Employees are required to report to work fit for duty and to refrain from activities during the workday which would impair their ability to perform their duties. The possession or consumption of alcoholic beverages, or the illegal use, distribution, sale, attempt of sale, purchase, or possession of controlled substances by Corporation employees while at the workplace is prohibited. Additionally, the Corporation complies with the U.S. Coast Guard's Drug and Alcohol Testing Program and the Omnibus Transportation Employee Testing Act of 1991. See Administrative Services Bulletin, DRUG AND ALCOHOL ABUSE IN THE WORKPLACE (ASB-2018-021) for more information.

SMOKING

The Corporation's Smoking Policy is consistent with the New York State Public Health Law and all employees have a responsibility to comply with it. Smoking is prohibited in all areas of Corporation facilities, equipment and vehicles except in areas specifically designated as smoking areas. Additional information about the smoking policy is included in Administrative Services Bulletin entitled NO SMOKING POLICY (CGP-2018-012).

Questions about designated smoking areas and/or the Smoking Policy should be directed to a supervisor, the Canal Safety and Health page on the Intranet homepage, or Canal Personnel.

WEAPONS

Employees are prohibited from possessing or storing firearms, explosives and/or other weapons, including replicas or facsimiles of such items while on Corporation property or

in a Corporation building. This prohibition applies to an employee's personal vehicle when such vehicle is on Corporation property.

See Executive Instruction entitled WEAPONS POLICY (EI 2004-22) for additional information. Questions concerning the Weapons Policy should be directed to a supervisor, a Division Administrative Office, or Canal Personnel.

WORKPLACE VIOLENCE

All employees have a right to a safe and secure work environment. Threats, threatening behavior, intimidation or acts of violence, including those that involve domestic situations, by or against employees, customers, guests or other individuals at the workplace will not be tolerated. Supervisors must report any workplace violence incident. Violators will be subject to disciplinary action up to and including termination of employment.

See Policy entitled **WORKPLACE VIOLENCE PREVENTION POLICY (CGP-2018-028)** for additional information. Questions concerning the Workplace Violence Prevention Policy should be directed to a supervisor or Canal Personnel.

INVENTIONS

The Corporation recognizes that inventions of value to the public may be made by employees. The purpose of the Corporation INVENTIONS POLICY (25-1-10C) is to encourage creativity and to take appropriate steps to ensure that the public receives the benefits of inventions conceived or reduced to practice by Corporation employees.

The Corporation Inventions Policy provides that employee inventions relating to Corporation work or made with Corporation resources are the property of the Corporation. Inventions as defined in the policy include, among other things, items that may be protected by patent or copyright. Inventions must be promptly disclosed to the Corporation and not be published or disclosed to anyone outside the employ of the Corporation without written permission from the Corporation.

Questions regarding the applicability of the Inventions Policy should be directed to a Division Director, a Department Head, or the General Counsel of the Corporation.

PHOTO ID BADGES

All Corporation employees are required to wear their IDs at all times when in any Division Headquarters or Administrative Headquarters Building.

ETHICS AND PUBLIC INTEGRITY

PUBLIC TRUST

As public servants, officers and employees of the Corporation are obliged to maintain the confidence and trust of the public whom they serve. Built upon the core principles of integrity and dedication to service, the responsibility for maintaining a high standard of conduct and upholding the fine reputation of the Corporation falls upon every employee.

Employees of the Corporation are subject to the provisions of all applicable State Laws, Executive Orders and Corporation policies including but limited to the following:

- *Public Officers Law, sec 73*: Restrictions on the activities of current and former state officers and employees;
- *Public Officers Law, sec 73-a*: Financial Disclosure;
- *Public Officers Law, sec 74*: Code of Ethics;
- *Executive Law, sec 94*: Joint Commission on Public Ethics; Functions, Powers and Duties;
- *Civil Service Law, sec 107*: Prohibition against certain political activities and improper influence;
- *19 NYCRR Part 930*: Honoraria and reimbursement for travel expenses; and
- *19 NYCRR Part 932*: Outside Activities.

Employees should become familiar with these laws, a summary of which is provided below. In addition, copies of the Public Officers Law Booklet and the publication “NEW YORK STATE’S PUBLIC INTEGRITY LAW: A Guide for New York State Employees” are available from Canal Personnel.

Employees are urged to consider their individual activities, remembering that each situation should be reviewed on its own merit to ensure that neither they nor the Corporation will be placed in a situation where there is either a conflict or the appearance of a conflict of interest.

Questions concerning an employee's ethical obligations under any statute, rule, regulation or policy should be addressed to the Corporation’s Ethics and Compliance Officer or the New York State Joint Commission on Public Ethics.

ETHICS LAW

The New York State Code of Ethics establishes specific standards of conduct for all Corporation officers and employees who require the avoidance of conflicts of interest or the appearance of conflicts of interest.

Additional information is contained in General Policy CODE OF ETHICS (CGP-2018-016) and Administrative Services Bulletin entitled CODE OF ETHICS (ASB-2018-015).

FINANCIAL DISCLOSURE

Section 73-a of the Public Officers Law requires that certain Corporation employees file an annual financial disclosure statement with the New York State Joint Commission on Public Ethics (Commission).

Employees are required to file a financial disclosure statement with the Commission if they:

- Are in a job title with an annual salary rate in excess of an amount specified by Section 73-a of the Public Officers Law; or
- Have been designated as being in a policymaking position by the Corporation. Employees designated as policymakers by the Corporation have been notified of their status by the Ethics and Compliance Officer for the Corporation.

Any questions regarding filing requirements should be directed to the Ethics and Compliance Officer. Questions regarding the completion of the Annual Statement of Financial Disclosure should be directed to the Office of Ethics and Compliance.

ETHICS LAW POST-EMPLOYMENT RESTRICTIONS

Corporation employees are subject to post-employment restrictions consisting of a two-year bar and lifetime bar. The purpose of these restrictions is to preclude the possibility that a former State employee may leverage his or her knowledge, experience or contacts gained after leaving State service to his or her advantage or that of a client, thereby securing unwarranted privileges, consideration or action.

The Ethics Law provides restrictions and regulations when Corporation employees either seek out or are approached by entities or individuals regarding potential employment opportunities in the private sector when those same entities or individuals have matters pending before the employee.

More information can be found at the New York State Joint Commission on Public Ethics website or by reviewing the Administrative Services Bulletin entitled ETHICS LAW POST-EMPLOYMENT RESTRICTIONS (ASB-2018-009). Any concerns or questions about contact with former employees should be directed to the Office of Ethics and Compliance.

OUTSIDE ACTIVITY

Employees may not engage in any activity that conflicts with the policies and interest of the Corporation, or provisions of the New York State Public Officers Law and New York State Ethics Laws and Regulations. Outside activities include, but are not limited to, employment, volunteer activities and entering into contracts to provide goods and services to the Corporation. Employees must obtain prior approval before engaging in an outside activity that might interfere with or conflict with the proper discharge of an employee's Corporation duties.

Employees must also obtain Corporation approval prior to:

- Engaging in extra service employment for pay with a State agency; or
- Accepting a position with or providing goods or service to an entity that does business with the Corporation.

Policymakers have additional restrictions and should consult Administrative Services Bulletin entitled HONORARIA, OFFICIAL ACTIVITY EXPENSE PAYMENTS AND SERVICE PAYMENTS (ASB-2018-022) or contact the Office of Ethics and Compliance for further information about seeking approval for outside employment.

POLITICAL ACTIVITIES

Before accepting an appointment, nomination, or otherwise becoming a candidate for election or re-election to public office, Corporation employees must obtain an advisory opinion from the Corporation as to:

- Whether or not they are prohibited from running for or accepting appointment to a political office; and
- Whether the duties of such office, upon appointment or election thereto, would constitute a conflict of interest with their official Corporation duties. Corporation employees are not permitted to conduct political activities on paid work time and may not use their official position to obtain campaign contributions or volunteer campaign assistance.

In addition to seeking Corporation approval, employees designated as policymakers must also obtain approval from the Commission prior to holding any public office or public employment for which more than \$4,000 is received as compensation in any calendar year.

The Federal Hatch Act prohibits Corporation employees who are principally employed in connection with programs financed in whole or in part by loans or grants made by the United States or a Federal agency from being candidates for public office in a partisan election.

To obtain an advisory opinion about holding political office, employees must submit a completed REQUEST FOR APPROVAL OF OUTSIDE ACTIVITY/EMPLOYMENT (ADM-F004) to the Office of Ethics and Compliance. The request form is available on the Intranet by accessing the Forms page and selecting Human Resources.

Please refer to Administrative Services Bulletin entitled OUTSIDE ACTIVITIES AND POLITICAL ACTIVITIES (ASB-2018-018) for additional information. Concerns or questions about political activities can be directed to the Office of Ethics and Compliance. Employees and supervisors may also contact the Joint Commission on Public Ethics for confidential ethics advice.

ACCEPTANCE OF GIFTS

Employees are prohibited from soliciting or accepting gifts, regardless of value, as it could reasonably be inferred that all such gifts are intended to influence or reward the employee in the performance of the employee's official duties. Gifts shall mean anything of more than nominal value including, but not limited to money, service, loan, travel, lodging, meals, refreshments, entertainment, discount, forbearance, or promise, having a monetary value.

Of special concern is the practice of some individuals/entities that do business with the Corporation to offer to purchase meals, entertainment or other hospitality for Corporation employees. In addition, gifts from associations supported by individuals/entities that do business with the Corporation are of concern. Employees should decline all such offers/gifts due to the impression/appearance that the acceptance of any offer/gift may create.

Questions may be directed to the Office of Ethics and Compliance. Please refer to Administrative Services Bulletin entitled ACCEPTANCE OF GIFTS (ASB-2018-017) and review the Joint Commission on Public Ethics' Advisory Opinion 08-01 for additional information.

HONORARIA

An honorarium is a payment, fee, reimbursement or other compensation for services rendered or traveling expenses incurred for such services that are not related to an employee's official duties. Such payment may be in the form of a gratuity, an award or an honor for delivering a speech, writing or authoring an article or publication, or attending a meeting or conference.

Employees may submit a written request for approval to receive an honorarium. To obtain approval, use the form REQUEST FOR APPROVAL OF HONORARIA, OFFICIAL ACTIVITY EXPENSE PAYMENTS AND SERVICE PAYMENTS (ADM-F008) which is available from Canal Personnel, Division Administrative Offices or via the Intranet.

Please refer to Administrative Services Bulletin entitled HONORARIA, OFFICIAL ACTIVITY EXPENSE PAYMENTS AND SERVICE PAYMENTS (ASB-2018-022) for additional information.

QUESTIONS, ANSWERS AND PROBLEM RESOLUTION

All M/C Corporation employees should attempt to solve work related problems, conflicts and concerns progressively through their respective chain of command. Employees are strongly encouraged to ask questions and bring issues of concern, as well as new ideas for workplace improvements, to their supervisors. If employees are not able to resolve a dispute or obtain an answer from their supervisor, they should address the issue through the next step in the appropriate chain of command structure.

Employees may also call Canal Personnel for assistance at (518) 449-6003.

APPENDIX A – MANAGEMENT/CONFIDENTIAL CIVIL SERVICE JOB TITLES

NEW YORK STATE CANAL CORPORATION

*Please be advised that there may be M/C job titles within the Canal Corporation that do not appear on this list.

TITLE
Administrative Specialist
Administrative Officer 1
Administrative Officer 2
Agency Safety and Health Director 1
Agency Safety and Health Representative 2
Assistant Director Pub Info
Associate Accountant
Associate Director Human Resources 2
Business Development Specialist 1
Business Development Specialist 2
Canal Section Superintendent
Code Compliance Specialist 2
Confidential Assistant
Deputy Director
Director of Canal Recway Comm
Director of Operations
Director of Waterways Maintenance
Disaster Preparedness Program Rep 2
Environmental Program Specialist 2
Environmental Specialist 3
Executive Director
Human Resources Specialist 1
Human Resources Specialist 2
Human Resources Specialist 3 Labor Relations
Professional Engineer 1 Civil/Transportation
Professional Engineer 2 Civil/Environmental
Professional Engineer 2 Environmental
Professional Engineer 3 Civil/Transportation
Professional Engineer 4 Civil/Transportation
Secretary 1
Secretary 2
Senior Administrative Assistant
Special Assistant

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APPENDIX B – SALARY SCHEDULES (2017 – 2018)

New York State Canal Corporation Managerial/Confidential Salary Schedule Effective the Pay Period that Includes 01/01/17

Grade	2% Promotional Adjustment	Hiring Rate	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	First (1) Longevity	Second (2) Longevity	Third (3) Longevity
6		27,829	29,151	31,220	33,289	35,708	38,169	38,721			
9		31,799	33,322	35,598	37,878	40,603	43,689	44,322			
10		33,275	34,869	37,304	39,741	42,608	45,666	46,328			
11		34,856	36,529	39,087	41,636	44,700	47,758	48,453			
12		36,459	38,214	40,914	43,610	46,795	49,906	50,632			
13		38,223	40,068	42,903	45,733	48,886	51,712	52,467			
14		40,059	41,993	45,067	48,138	51,603	54,750	55,549			
15		41,861	43,892	47,308	50,729	53,903	57,935	58,783			
16	2,488	46,229	50,766	55,193	57,971	59,979	62,286	64,244	66,840	69,225	71,611
17	2,604	48,826	53,589	58,239	61,159	63,262	65,693	67,723	70,447	72,984	75,471
18	2,739	51,580	56,582	61,464	64,547	66,768	69,329	71,444	74,317	76,962	79,612
19	2,869	54,358	59,603	64,731	67,967	70,289	72,975	75,183	78,190	80,971	83,744
20	3,005	57,130	62,620	67,985	71,381	73,818	76,639	78,967	82,122	85,040	87,961
21	3,143	60,158	65,902	71,512	75,069	77,629	80,582	83,033	86,335	89,402	92,468
22	3,287	63,369	69,386	75,277	79,009	81,674	84,773	87,347	90,808	94,012	97,222
23	3,439	66,693	72,988	79,147	83,061	85,863	89,112	91,811	95,439	98,793	102,164
24	3,584	70,236	76,810	83,234	87,324	90,253	93,650	96,497	100,281	103,794	107,306
25	3,751	74,092	80,977	87,713	92,000	95,075	98,647	101,634	105,605	109,302	113,005
26	3,915	77,997	85,199	92,240	96,733	99,951	103,683	106,814	110,962	114,819	118,681
27	4,085	82,185	89,699	97,056	101,755	105,104	109,006	112,289	116,626	120,657	124,688
28	3,457	89,095	96,443	99,835	102,195	108,154	113,457		118,462	122,795	127,130
29	3,578	93,792	101,516	105,057	108,590	112,128	115,669		120,300	124,933	129,566
30	3,691	98,485	106,299	109,935	113,584	117,226	120,875		125,992	131,520	
31	3,808	103,889	111,941	115,706	119,464	123,233	126,992		131,678	134,444	
32	3,934	109,290	117,879	121,770	125,659	129,554	133,448		138,130	139,320	
33	3,983	115,120	122,405	126,347	130,283	134,225	138,172		143,022	144,197	
34	4,204	119,802	132,088	136,257	140,422	144,593	148,762				
35	4,311	122,217	134,695	141,132	144,653	151,088	157,526				
36	4,415	125,459	139,462	146,025	152,588	159,149	165,707				
37	4,522	131,602	147,402	154,089	160,781	167,469	174,154				
38	4,631	138,236	155,984	162,782	169,582	176,382	183,176				

* Promotional adjustment is applied according to Canal Corporation's promotion rules.

** The Hiring rate is not a factor in subsequent promotions to Management/Confidential positions.

- (1) Employees with five years satisfactory service at or above the maximum salary of their grade will be eligible to have their salary advanced to the First Longevity.
- (2) Employees with ten years satisfactory service at or above the maximum salary of their grade will be eligible to have their salary advanced to the Second Longevity.
- (3) Employees with fifteen years satisfactory service at or above the maximum salary of their grade will be eligible to have their salary advanced to the Third Longevity.

New York State Canal Corporation
Managerial/Confidential Salary Schedule
Effective the Pay Period that Includes 07/01/17

2% Grade	2% Promotional Adjustment	Hiring Rate	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	First (1) Longevity	Second (2) Longevity	Third (3) Longevity
6		28,953	30,329	32,481	34,634	37,151	39,711	40,285			
9		33,084	34,668	37,036	39,408	42,243	45,454	46,113			
10		34,619	36,278	38,811	41,347	44,329	47,511	48,200			
11		36,264	38,005	40,666	43,318	46,506	49,687	50,411			
12		37,932	39,758	42,567	45,372	48,686	51,922	52,678			
13		39,767	41,687	44,636	47,581	50,861	53,801	54,587			
14		41,677	43,690	46,888	50,083	53,688	56,962	57,793			
15		43,552	45,665	49,219	52,778	56,081	60,276	61,158			
16	2,589	48,097	52,817	57,423	60,313	62,402	64,802	66,839	69,540	72,022	74,504
17	2,709	50,799	55,754	60,592	63,630	65,818	68,347	70,459	73,293	75,912	78,520
18	2,850	53,664	58,868	63,947	67,155	69,465	72,130	74,330	77,319	80,071	82,828
19	2,985	56,554	62,011	67,346	70,713	73,129	75,923	78,220	81,349	84,242	87,127
20	3,126	59,438	65,150	70,732	74,265	76,800	79,735	82,157	85,440	88,476	91,515
21	3,270	62,588	68,564	74,401	78,102	80,765	83,838	86,388	89,823	93,014	96,204
22	3,420	65,929	72,189	78,318	82,201	84,974	88,198	90,876	94,477	97,810	101,150
23	3,578	69,387	75,937	82,345	86,417	89,332	92,712	95,520	99,295	102,784	106,291
24	3,729	73,074	79,913	86,597	90,852	93,899	97,433	100,395	104,332	107,987	111,641
25	3,903	77,085	84,248	91,257	95,717	98,916	102,632	105,740	109,871	113,718	117,570
26	4,073	81,148	88,641	95,966	100,641	103,989	107,872	111,129	115,445	119,458	123,476
27	4,250	85,505	93,323	100,977	105,866	109,350	113,410	116,825	121,338	125,532	129,725
28	3,597	92,694	100,339	103,868	106,324	112,523	118,041		123,248	127,756	132,266
29	3,723	97,581	105,617	109,301	112,977	116,658	120,342		125,160	129,980	134,800
30	3,840	102,464	110,593	114,376	118,173	121,962	125,758		131,082	136,833	
31	3,962	108,086	116,463	120,381	124,290	128,212	132,122		136,998	139,876	
32	4,093	113,705	122,641	126,690	130,736	134,788	138,839		143,710	144,949	
33	4,144	119,771	127,350	131,451	135,546	139,648	143,754		148,800	150,023	
34	4,374	124,642	137,424	141,762	146,095	150,435	154,772				
35	4,485	127,155	140,137	146,834	150,497	157,192	163,890				
36	4,593	130,528	145,096	151,924	158,753	165,579	172,402				
37	4,705	136,919	153,357	160,314	167,277	174,235	181,190				
38	4,818	143,821	162,286	169,358	176,433	183,508	190,576				

* Promotional adjustment is applied according to Canal Corporation's promotion rules.

** The Hiring rate is not a factor in subsequent promotions to Management/Confidential positions.

- (1) Employees with five years satisfactory service at or above the maximum salary of their grade will be eligible to have their salary advanced to the First Longevity.
- (2) Employees with ten years satisfactory service at or above the maximum salary of their grade will be eligible to have their salary advanced to the Second Longevity.
- (3) Employees with fifteen years satisfactory service at or above the maximum salary of their grade will be eligible to have their salary advanced to the Third Longevity.

New York State Canal Corporation
Managerial/Confidential Salary Schedule
Effective the Pay Period that Includes 07/01/18

Grade	2% 1% COLA Parity Promotional Adjustment	Hiring Rate	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	First (1) Longevity	Second (2) Longevity	Third (3) Longevity
6		29,827	31,245	33,462	35,680	38,273	40,910	41,502			
9		34,083	35,715	38,154	40,598	43,519	46,827	47,506			
10		35,664	37,374	39,983	42,596	45,668	48,946	49,656			
11		37,359	39,153	41,894	44,626	47,910	51,188	51,933			
12		39,078	40,959	43,853	46,742	50,156	53,490	54,269			
13		40,968	42,946	45,984	49,018	52,397	55,426	56,236			
14		42,936	45,009	48,304	51,596	55,309	58,682	59,538			
15		44,867	47,044	50,705	54,372	57,775	62,096	63,005			
16	2,667	49,550	54,412	59,157	62,134	64,287	66,759	68,858	71,640	74,197	76,754
17	2,791	52,333	57,438	62,422	65,552	67,806	70,411	72,587	75,506	78,205	80,891
18	2,936	55,285	60,646	65,878	69,183	71,563	74,308	76,575	79,654	82,489	85,329
19	3,075	58,262	63,884	69,380	72,849	75,337	78,216	80,582	83,806	86,786	89,758
20	3,220	61,233	67,118	72,868	76,508	79,119	82,143	84,638	88,020	91,148	94,279
21	3,369	64,478	70,635	76,648	80,461	83,204	86,370	88,997	92,536	95,823	99,109
22	3,523	67,920	74,369	80,683	84,683	87,540	90,862	93,620	97,330	100,764	104,205
23	3,686	71,482	78,230	84,832	89,027	92,030	95,512	98,405	102,294	105,888	109,501
24	3,842	75,281	82,326	89,212	93,596	96,735	100,375	103,427	107,483	111,248	115,013
25	4,021	79,413	86,792	94,013	98,608	101,903	105,731	108,933	113,189	117,152	121,121
26	4,196	83,599	91,318	98,864	103,680	107,129	111,130	114,485	118,931	123,066	127,205
27	4,378	88,087	96,141	104,027	109,063	112,652	116,835	120,353	125,002	129,323	133,643
28	3,706	95,493	103,369	107,005	109,535	115,921	121,606		126,970	131,614	136,260
29	3,835	100,528	108,807	112,602	116,389	120,181	123,976		128,940	133,905	138,871
30	3,956	105,558	113,933	117,830	121,742	125,645	129,556		135,041	140,965	
31	4,082	111,350	119,980	124,017	128,044	132,084	136,112		141,135	144,100	
32	4,217	117,139	126,345	130,516	134,684	138,859	143,032		148,050	149,326	
33	4,269	123,388	131,196	135,421	139,639	143,865	148,095		153,294	154,554	
34	4,506	128,406	141,574	146,043	150,507	154,978	159,446				
35	4,620	130,995	144,369	151,268	155,042	161,939	168,839				
36	4,732	134,470	149,478	156,512	163,547	170,579	177,609				
37	4,847	141,054	157,988	165,155	172,329	179,497	186,662				
38	4,964	148,164	167,187	174,473	181,761	189,050	196,331				

* Promotional adjustment is applied according to Canal Corporation's promotion rules.

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- (3) Employees with fifteen years satisfactory service at or above the maximum salary of their grade will be eligible to have their salary advanced to the Third Longevity.

CONTACT LIST FOR QUESTIONS AND SUPPORT

Department	Contact	Contact Information
Payroll	Payroll Administrator	E-mail: Payroll@nypa.gov Phone: 914-287-3681
Benefits	Benefits Administrator	E-Mail: CanalHR&Labor@nypa.gov Phone: 914-287-3681
Office of Civil Rights and Inclusion (AAO)	Affirmative Action Officer	E-mail: accessibility@nypa.gov Phone: 914-681-6246
Health & Safety	Director of Safety	http://canalsintranet.canals.ny.gov/Safety%20and%20Health/safety&health.html Phone: 518-449-6076
Canal Office of Human Resources	Canal Personnel	E-mail: CanalPersonnel@canals.ny.gov Phone: 518-449-6003
Canal HR & Labor	White Plains Office	E-mail: CanalHR&Labor@nypa.gov Phone: 914-287-3681
Canal Office of Employee Relations	Employee Relations	E-mail: EmployeeRelations@canals.ny.gov Phone: 518-449-6003
Office of Media Relations	Media Relations Manager	Phone: 914-390-8192
IT	Canal HelpDesk	E-mail: Help.desk@canals.ny.gov Phone: 1-844-442-2625
Training	Training Team	E-mail: Training@Canals.NY.gov Phone: 844-567-2262
Ethics and Compliance Office	Ethics and Compliance Office or NYS Joint Commission on Public Ethics	E-mail: Ethics@nypa.gov Phone: 1-877-TEL-NYPA (1-877-835-6972) E-mail: ReportMisconduct.ny.gov Phone: 1-800-873-8442

2018 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.	7			
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.	6	1		
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.	5	2		
8. Board members are knowledgeable about the programs, financial statements, reporting requirements, and other transactions of:				
a. the Authority.	6	1		
b. Canal Corporation.	5	2		
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.	5	2		
10. The Board knows the statutory obligations and compliance status with laws applicable to:				
a. the Authority.	7			
b. Canal Corporation.	6	1		
11. Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	6	1		
12. Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	6	1		
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.	7			
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	7			
16. Board members demonstrate leadership and vision and work respectfully with each other.	7			

Date Completed: 3/4/19