

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

March 26, 2015

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Minutes of the regular meeting of the New York Power Authority's Governance Committee held via video conference at approximately 10:10 a.m., at the following participating locations:

- New York Power Authority, 123 Main Street, White Plains, New York
- Monroe Community College, 1000 E. Henrietta Road, Rochester, New York
(Office of President, Board Room)

The following Members of the Governance Committee were present:

Trustee Eugene L. Nicandri, Chairman
Chairman John R. Koelmel, Member
Vice Chair Joanne M. Mahoney, Member
Trustee Anne M. Kress, Member

Also in attendance were:

Jonathan F. Foster	Trustee
Terrance P. Flynn	Trustee
Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Edward Welz	Chief Operating Officer
Jill Anderson	Senior Vice President – Public and Regulatory Affairs
Jennifer Faulkner	Senior Vice President – Internal Audit
Rocco Iannarelli	Acting Senior Vice President – Enterprise Shared Services
John Canale	Acting Vice President – Procurement
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Lorna Johnson	Associate Corporate Secretary
Sheila Baughman	Assistant Corporate Secretary
Peter Prunty	Director – Infrastructure
Greg Jablonsky	Manager – Network Services
Glen Martinez	Senior Network Analyst

Chairman Eugene Nicandri presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

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

1. Approval of the Proposed Meeting Agenda

Upon motion made and seconded the Agenda for the meeting was approved.

2. **CONSENT AGENDA:**

Upon motion made and seconded, the Consent Agenda and Reports provided to members of the Governance Committee were approved.

a. **Approval of the Minutes**

Upon motion made and seconded, the Minutes of the Committee's Regular Meeting of December 16, 2014 were approved.

b. Procurement and Real Estate Reports

The Vice President of Procurement submitted the following report:

“SUMMARY

This memorandum is to advise the Governance Committee of certain 2014 activities of the Procurement and Real Estate Divisions, including: procurement contract activity, disposal of personal property, acquisition and disposal of real property, Supplier Diversity Program activities and plant inventory statistics; as well as corporate finance activities conducted by the Treasury Group; and fossil fuels activities conducted by Energy Resource Management.

The Governance Committee is also requested to review and recommend for approval by the full Board of Trustees various revised Guidelines, including: Guidelines for Procurement Contracts, Guidelines and Procedures for the Disposal of Authority Personal Property and Real Property, respectively, and Guidelines for the Acquisition of Real Property by the Authority.

BACKGROUND

Pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President - Procurement and the Director - Real Estate are required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and Real Estate 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 Exhibits 2b-1 – 2b-7, the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater awarded since January 1, 1990 that were active in 2014, as identified by the Authority’s SAP computer system. The Disposal of Personal Property Report lists all personal property (including Fleet-related) disposal transactions over \$5,000 conducted during 2014. The Real Estate Report includes all transactions for the acquisition or disposal of real property by the Authority during the reporting period. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority- and Women-owned Business Enterprises (“MWBEs”) 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 Operations and Treasury work groups, respectively.

Pursuant to the Authority’s implementation of the Public Authorities Accountability Act of 2005 (“PAAA”), as amended, the Authority’s Governance Committee reviews the Guidelines for Procurement Contracts, the Guidelines and Procedures for the Disposal of Authority Personal Property, the Guidelines and Procedures for the Disposal of Authority Real Property and the Guidelines and Procedures for the Acquisition of Real Property by the Authority annually, and approves any changes to such Guidelines. These Guidelines have been amended as deemed advisable and necessary, and reviewed and approved by the full Board of Trustees annually, most recently on March 25, 2014. The Governance Committee is requested to review the revisions to the respective Guidelines (as set forth in the redlined copies attached hereto as Exhibits 2c-1 – 2c-4 and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 26, 2015.”

c. **Introduction To and Summary of Procurement and Real Estate Guidelines**

The Vice President of Procurement submitted the following report:

“Pursuant to the Authority’s implementation of the Public Authorities Accountability Act of 2005 (“PAAA”), as amended, the Authority’s Governance Committee reviews the Guidelines for Procurement Contracts (“Procurement Guidelines”), the Guidelines and Procedures for Disposal of Personal Property (“Personal Property Disposal Guidelines”), the Guidelines and Procedures for Disposal of Real Property (“Real Property Disposal Guidelines”) and the Guidelines and Procedures for Acquisition of Real Property by the Authority (“Real Property Acquisition Guidelines”) annually and, if appropriate, recommends adoption by the full Board at the annual meeting (to be held on March 26, 2015).

PROCUREMENT GUIDELINES

In compliance with the applicable provisions of § 2879 of the Public Authorities Law (“PAL”), as amended, the Authority has established comprehensive Guidelines detailing its operative policy and instructions concerning the use, awarding, monitoring and reporting of procurement contracts. The Guidelines describe the Authority’s process for soliciting proposals and awarding contracts. Topics detailed in the Guidelines include solicitation requirements, evaluation criteria, contract award process, contract provisions, change orders, Minority- and Women-owned Business Enterprise (“M/WBE”) requirements, employment of former officers and reporting requirements. These Guidelines, approved by the Authority’s Trustees, were initially implemented on January 1, 1990, and have been amended as deemed advisable and necessary, and reviewed and approved by the Board annually since that date, most recently on March 25, 2014.

Staff has reviewed the Procurement Guidelines and recommends several changes to make them more consistent with the law or to improve or clarify the Authority’s procurement process. The most significant of such changes pertain to **Solicitation Requirements**, as well as the **Service-Disabled Veteran-Owned Business (“SDVOB”) program**, which are highlighted below:

- **NEW YORK STATE CONTRACT REPORTER → INCREASED THE ADVERTISING THRESHOLD from \$15,000 to \$50,000**, as summarized below and more fully set forth in § 3.H of the Procurement Guidelines, pursuant to Article 4-C of the Economic Development Law and § 163 of the State Finance Law:

For all Procurement Contracts with a value equal to or greater than \$50,000....., the Authority will, prior to soliciting proposals, submit the following information to the Commissioner of the DED to be included on the New York State Contract Reporter website.....

..... 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 contracts not exceeding \$200,000 awarded to Small Businesses or NYS-certified MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for procurement contract bidding opportunities, in accordance with the afore-referenced law. Such notice shall specify the name of the awardee.

- **VALUE OF PURCHASES REQUIRING SOLICITATION from at least 3 PROVIDERS → INCREASED to under \$50,000 – and -- VALUE OF PURCHASES REQUIRING SOLICITATION from at least 5 PROVIDERS → INCREASED to \$50,000 or more**, as summarized below and more fully set forth in § 3.A of the Procurement 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.....

- **TELEPHONE SOLICITATION LIMIT → INCREASED to under \$50,000; also, all such solicitations shall be documented and made part of the Procurement Record**, as summarized below and more fully set forth in § 3.G of the Procurement Guidelines:

..... 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.

- **SERVICE-DISABLED VETERAN-OWNED BUSINESS (“SDVOB”) PROGRAM – NEW STATUTORY REQUIREMENT**, as summarized below and more fully set forth in § 3.I of the Procurement Guidelines, pursuant to the SDVOB Act:

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. The program is in development; the Authority has been selected to participate in a pilot SDVOB program and is complying with OGS-promulgated procedures and requirements.

It may also be noted that non-substantive and stylistic changes have also been made throughout the document.

The Governance Committee is requested to review the revisions to the Procurement Guidelines (as set forth in the redlined copy attached hereto as Exhibit 2c-1) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 26, 2015. The approved Guidelines will become effective on March 31, 2015 and will be posted on the Authority’s internet website. On or before the 31st day of March, such Guidelines will also be filed with the Director of the Division of the Budget, the Department of Audit and Control, the Department of Economic Development, the Senate Finance Committee, the Assembly Ways and Means Committee and the Authorities Budget Office.

PERSONAL PROPERTY DISPOSAL GUIDELINES

In compliance with Public Authorities Law (“PAL”) § 2896, enacted as part of the Public Authorities Accountability Act of 2005 (“PAAA”) and amended by the Public Authorities Reform Act of 2009 (“PARA”), the Authority established and is required to annually review and approve Guidelines for the Disposal of Personal Property. Personal Property is defined to include, but is not limited to, Authority-owned materials, tools, equipment and vehicles with a value in excess of \$5,000. The Personal Property Guidelines set forth the methodology detailing the Authority’s policy regarding the use, award, monitoring and reporting of the disposal of Personal Property and designate a Contracting Officer responsible for the Authority’s compliance with, and enforcement of, such Guidelines. The Guidelines were initially approved

by the Trustees in March 2006 and have been amended as deemed advisable and necessary, and reviewed and approved annually since that date, most recently on March 25, 2014.

Staff has reviewed the Personal Property Disposal Guidelines and recommends no substantive changes. Two minor changes were made to the Guidelines to provide for future policy revisions and titular or organizational changes in the Authority.

The Governance Committee is requested to review the revisions to the Personal Property Disposal Guidelines (as set forth in the redlined copy attached hereto as Exhibit 2c-2) and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 26, 2015. The approved Guidelines will become effective on March 31, 2015 and will be posted on the Authority's internet website. On or before the 31st day of March, such Guidelines will also be filed with the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.

REAL PROPERTY DISPOSAL and ACQUISITION GUIDELINES

In compliance with Public Authorities Law ("PAL") § 2896, enacted as part of the Public Authorities Accountability Act of 2005 ("PAAA") and amended by the Public Authorities Reform Act of 2009 ("PARA"), the Authority established and is required to annually review and approve Guidelines for the Disposal of Real Property and Guidelines for the Acquisition of Real Property. The Real Property Disposal Guidelines were initially approved by the Trustees in March 2006; the Real Property Acquisition Guidelines were initially approved by the Trustees in March 2008. They have subsequently been reviewed, amended as deemed advisable and necessary, and approved on an annual basis since that date, most recently on March 25, 2014.

Staff has reviewed the Real Property Disposal and Acquisition Guidelines, respectively, and recommends no changes.

The Governance Committee is requested to review the revisions to the Real Property Disposal and Acquisition Guidelines, respectively (as set forth in the redlined copy attached hereto as Exhibits 2c-3 and 2c-4) and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 26, 2015. The approved Guidelines will become effective on March 31, 2015 and will be posted on the Authority's internet website. On or before the 31st day of March, such Guidelines will also be filed with the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office."

d. Annual Review and Approval of Certain Authority Policies

The Vice President of Procurement 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 Trustees are also requested to delegate to the President and Chief Executive Officer the authority to modify these policies, 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 2824 of the Public Authorities Law requires the Authority’s Trustees to, among other things, establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the chief executive and senior management; and Section 2 of the Authority’s By-laws requires the Authority’s Trustees to review and approve annually the policies and procedures governing: (i) the salary, (ii) compensation, (iii) benefits and (iv) time and attendance of the chief executive and senior management.

The Authority’s policies relating to salary, compensation, benefits and time and attendance of its employees, inclusive of the chief executive and all senior management, are attached as Exhibits “2d-1” through “2d-14” and respectively entitled:

- 2d-1 Recruitment and Job Posting (EP 1.2); last revised 12/01/14;
- 2d-2 Transfer or Re-Employment in Public Service (EP 1.9), last revised 3/29/12
- 2d-3 Salary Administration Policy (EP 2.1); last revised 3/1/14;
- 2d-4 Salaried Non-Exempt and Facility-Based Exempt Overtime (EP 2.4), last revised 6/17/14;
- 2d-5 Employee Benefits Eligibility (EP 3.1), last revised 3/29/12;
- 2d-6 Vacation (EP 3.2), last revised 3/29/12;
- 2d-7 FMLA (EP 3.3), last revised 1/10/14;
- 2d-8 Leaves of Absence (EP 3.4), last revised 7/29/13
- 2d-9 Educational Assistance Program (EP 3.6), last revised 12/18/12
- 2d-10 Relocation Benefits for New and Transferred Employees (EP 3.8); last revised 1/1/10;
- 2d-11 Sick Time (EP 3.9), last revised 8/5/14;
- 2d-12 Attendance & Flexible Hours (EP 4.6), last revised 3/01/14;
- 2d-13 Reimbursement of Employee Meal Costs (CP 1.5), last revised 3/31/12;
- 2d-14 Travel (CP2-1); last revised 3/21/13

RECOMMENDATION

The Governance Committee is requested to review the revised policies (as set forth in the red-lined copies attached hereto as Exhibits 2d-1 thru 2d-14) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 26, 2015.”

e. 2014 Annual Board of Directors Evaluation Pursuant to Sections 2800 and 2824 of the Public Authorities Law and Guidance of the Authorities Budget Office

The Vice President of Procurement submitted the following report:

SUMMARY

The Trustees are requested to approve the annual Board of Directors evaluation for 2014 and authorize the Corporate Secretary to submit this report 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.

DISCUSSION

The Trustees are requested to approve the 2014 Annual Board Evaluation (Exhibit “A”) and authorize the Corporate Secretary to submit this report 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. This report was reviewed by the Governance Committee at its meeting of March 26, 2015. The Trustees are also requested to approve the summary of the 2014 evaluation and authorize the Corporate Secretary to submit this evaluation 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.

FISCAL INFORMATION

There is no anticipated fiscal impact.

RECOMMENDATION

The Governance Committee is requested to review the board evaluation (Exhibit A) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 26, 2015.

DISCUSSION AGENDA:

3. Ethics & Compliance Program and NERC Reliability Standards Compliance

ETHICS and COMPLIANCE

“SUMMARY

The Office of Ethics and Compliance (“E&C Office”) advises NYPA’s trustees, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards relating to NYPA’s employees and operations. It coordinates the investigation of allegations and concerns involving NYPA’s assets and employees. This report highlights significant developments in NYPA’s ethics and compliance program for the period December 16, 2014 to March 26, 2015.

BACKGROUND

The principal substantive issues arising under the NYS ethics laws and NYPA’s Code of Conduct investigated or researched since the most recent Governance Committee report on December 16, 2014 include various requests to engage in outside activities and employment and issues concerning conflicts of interest, energy policy reviews, gifts inquiries and post-employment restrictions questions.

The E&C Office provides annual training and Code of Conduct Certification to all trustees, officers and employees to reaffirm NYPA’s commitment to prevailing ethics principles and raise awareness of the laws and regulations with which all NYS public employees are required to comply. Annual review of and certification to the NYPA Code of Conduct is implemented as an additional measure to reinforce acceptable business and professional conduct. The E&C Office also coordinates required training for designated employees to comply with the Federal Energy Regulatory Commission’s (“FERC”) Standards of Conduct relating to its transmission and energy marketing functions and FERC Rules designed to prevent manipulation of energy markets.

DISCUSSION

Ethics Caseload

The E&C Office reviewed 37 cases since the last report to the Governance Committee and handled 189 cases in calendar year 2014. The case totals for 2014 included the following categories: appearances of impropriety; conflicts of interest, including two related to relatives; gifts questions; outside activities and outside employment reviews; re-employment assessments for two recently retired senior executives; post-employment questions, issues related to unwarranted privileges and evaluations relating to appropriate use of NYPA assets. These cases originated from all NYPA headquarters and operating facilities, with a concentration from the White Plains Office. Ethics inquiries were made by various trustees, officers, bargaining unit and salaried employees.

Selected Cases

A manager from NYPA’s Internal Audit Department was terminated after an investigation relating to his inappropriate usage of the NYPA Citibank Travel Card (“the Travel Card”). Employees who are authorized to travel on NYPA business may be issued a Travel Card, which is restricted to official business purchases. The employee accepted the terms of usage agreement upon receipt of the Travel Card and understood the policy guiding its restricted, business-only usage. However, he repeatedly used the Travel Card for personal purchases, including after being counseled against the practice. Further, the employee neglected to file timely expense reports in accordance with NYPA policy and attempted to justify this negligence by claiming he intentionally withheld the reports to assess the Accounts Payable department’s internal controls. This action was not part of an internal audit or work assignment. The employee admitted to investigators that he took this action for his personal self-interest and that it was not related to his official duties.

While NYPA expects that all employees will adhere to policies, rules and regulations required of them, certain positions are held to a higher standard, must remain above reproach and act solely in the interest of the organization at all times. Members of the Internal Audit department must meet that heightened standard as they are responsible for assessing employees' adherence to policies, rules and regulations. It is incumbent that they cannot take advantage of their positions for their own self-interests.

In another case, NYPA was interested in contracting with a vendor which employed a former New York State employee and member of the Executive Chamber staff. The individual interacted with NYPA staff on various issues as part of his former official New York State duties. Prior to engaging the vendor, NYPA requested that this former state employee obtain an informal advisory opinion from the NYS Joint Commission on Public Ethics ("JCOPE") authorizing this individual and the firm currently employing him to provide services to NYPA. JCOPE reviewed the proposed activities relative to both the two-year and lifetime post-employment restrictions and found that the Public Officers Law would not prevent him or the firm from providing the proposed services.

Two NYPA employees who hold policy-making positions who also engage in approved outside employment were required to submit Outside Activities reports to JCOPE seeking permission to engage in these activities. JCOPE approval is required since their anticipated income would exceed the \$4000 annual regulatory threshold for outside activities. Prior to submission to JCOPE, NYPA's E & C Office conducted its own conflicts review in accordance with the Code of Conduct and approved the activities. The E & C Office then facilitated the JCOPE review for both employees.

In the first instance, an employee sought permission to serve as an adjunct professor and teach energy industry courses at two New York City metropolitan universities. Permission to engage in this activity was granted for the Fall 2014 semester and is pending for the Spring 2015 semester.

The second review was comprised of various requests for one employee. This review included activities relating to serving as a paramedic, a lecturer and consultant with a medical college and acting as an Emergency Response Coordinator for a federal agency. Each of these outside activities was approved by JCOPE.

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

NYPA continues to collaborate with the NYS Inspector General's Office and other external agencies in providing requested documentation or information related to ongoing investigations with those agencies.

Training and Outreach

The E & C Office provides annual training to all employees. The training is typically delivered either via live, in-person sessions or electronically as a computer based program. In calendar year 2014, NYPA's Video Production Services Department from the Public and Governmental Affairs business unit produced a video containing training content focused on the NYS and NYPA Code of Conduct gifts restrictions applicable to NYPA's employees. The video consisted of an edited portion of a prior presentation of the JCOPE Comprehensive Ethics Training course. This video was delivered to employees via the Learning Management System and was well-received by staff.

The E & C Office continued to provide the two hour JCOPE Comprehensive Training course throughout calendar year 2014 to fulfill its mandate to provide this training to all Trustees and employees who participate in the JCOPE Financial Disclosure program. The mandatory Compliance Training Report was submitted on January 31, 2015, detailing those employees who received the required training in calendar year 2014.

Financial Disclosure

NYPA submitted its annual Financial Disclosure filer preparation documents to JCOPE prior to the February 27, 2015 submission deadline. There are 707 eligible participants in the Financial Disclosure program. All employees whose base salaries, exclusive of overtime or other benefits, exceed \$91,821, or whom are deemed to serve in 'policy-making positions' regardless of their salaries, are required participants in the program.

One hundred ninety-nine (199) of the required participants have been granted either individual or title exemptions by JCOPE and are not required to submit an annual Financial Disclosure Statement. 158 of the remaining 508 participating employees have been designated as policy makers and may not apply for an exemption from the program. As discussed above in the "Selected Cases" section of this report, several designated policy makers have outside employment that required JCOPE approval. Those outside engagements must be reported on those individual's Financial Disclosure Statements, and include the income earned.

Internal Audit—Ethics & Claims Management (OPR14120)

NYPA's Internal Audit Department conducted an audit of NYPA's Employee Concerns Line (877-TEL-NYPA) and a comprehensive review of the Ethics & Claims Management systems, ethics policies and procedures. The audit resulted in observations and recommendations relating to claims handling, the need for a formalized written procedure for maintaining the case management system and a completed contract with the vendor providing hotline services.

The E & C Office has accepted the audit recommendations and is in the process of implementing them to enhance its programs.

"Project Sunlight"

Project Sunlight is a database maintained by the NYS Office of General Services which allows members of the public access to information concerning meetings ("covered appearances") between NYPA representatives and external parties under five qualifying categories, including procurement, rate-making and rule-making matters. The Governor's Office continues to closely monitor compliance with Project Sunlight and hosts periodic meetings to discuss any issues related to the database. NYPA submitted 248 appearances in calendar year 2013 and 167 entries were logged in calendar year 2014.

RELIABILITY STANDARDS COMPLIANCE

SUMMARY

This report highlights important aspects of NYPA's reliability standards compliance management program for the period December 16, 2014 to March 26, 2015. A brief background statement is followed by discussion of specific reliability standards-related topics affecting the enterprise.

BACKGROUND

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

DISCUSSION

NERC Reliability Standards Compliance Enforcement Actions

During the reporting period, NYPA reported one (1) new possible violation of the NERC Reliability Standards to the Northeast Power Coordinating Council (NPCC), NERC's compliance

monitoring and enforcement agent for NYPA. The NPCC is reviewing NYPA's determination that the violation posed minimal risk to the reliability of the Bulk Electric System and that the violation can be processed as a compliance exception under NERC's risk-based enforcement program for self-logging of minimal risk issues.

NPCC closed its review of three (3) previously reported violations processed under the self-logging pilot program. NPCC determined that these instances of noncompliance posed minimal risk to the reliability of the Bulk Power System and were appropriately mitigated. NPCC filed a compliance exception with NERC for one (1) violation and declined to further pursue the other two (2) from an enforcement perspective.

Investigations of Possible Violations

During the reporting period, Technical Compliance initiated six (6) investigations of possible violations of the NERC Reliability Standards; three (3) investigations were closed and seven (7) are active. This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Self-Certifications of Compliance

During the reporting period, NYPA was required to self-certify compliance for twenty four (24) of the NERC Reliability Standards applicable to NYPA for the 2014 calendar year. Technical Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self-certifies compliance.

NERC Risk-Based Compliance Monitoring and Enforcement Program

NYPA has been actively supporting NERC and NPCC in moving this important NERC program forward. During the reporting period, NYPA continued to participate in two pilot programs to test new compliance monitoring and enforcement tools. These pilot programs were conducted in several regions across North America to establish the basis for a more risk-based, continent-wide compliance monitoring process. One is focusing on methods for assessing a company's risk and internal controls for managing compliance and one is focusing on new tools for processing minimal risk violations of the standards.

Specifically, NYPA continued its participation in the pilot enforcement program for self-logging of minimal risk issues during this reporting period. NYPA continued to receive very positive feedback from NPCC for its participation in this pilot program. During the period, NPCC invited other registered entities in the NPCC region to participate in the self-logging program. NYPA provided guidance and support to these other entities in the mechanics of the self-logging process, especially the assessment of minimal risk.

During the period, the VP Technical Compliance, R. Crissman, agreed to serve on an Industry Advisory Group, established by NERC, which will provide implementation guidance to the industry for this NERC initiative; the implementation is planned to be completed by the end of 2015. Mr. Crissman attended several meetings of the Industry Advisory Group, served as a panelist in two NERC-sponsored workshops on the program in October, and delivered a presentation regarding NYPA's participation in the enforcement pilot program to the NERC Board of Trustees Compliance Committee at its meeting in Atlanta, GA on November 12.

Bulk Electric System (BES) Definition

As stated in earlier reports, the Federal Energy Regulatory Commission (FERC) approved the new Bulk Electric System (BES) definition and that NYPA has identified over 40 new BES elements that will be subject to the NERC reliability standards in July 2016.

As stated in earlier reports, the adoption of the new BES definition may require NYPA to register as a Transmission Operator (TOP) and/or a Transmission Planner (TP). During the reporting period, NYPA continued to participate in meetings with the New York State Independent System Operator (“NYISO”) and the other NY Transmission Owners to assess new state-wide functional registration and compliance management impacts and actions pursuant to the new BES definition.

During the reporting period, NYPA engaged the NYISO in discussions regarding NYPA’s request of the NYISO to add some of NYPA’s newly identified BES elements to its list of controlled assets for Transmission Operator (TOP) compliance purposes. NYPA is taking a position that since it does not operate most of its newly identified BES assets, in a NERC functional model sense, that it will not be registered as a TOP. The NYISO agreed to add approximately 60% of NYPA’s new BES assets, mainly newly identified 345 kV elements (e.g. those associated with the Y49 transmission line) to its list of controlled assets for TOP compliance purposes. The NYISO requested that NYPA continue discussions with other Transmission Owners (TOs) regarding TOP compliance for the remaining NYPA BES assets. Related to this requirement, NYPA continues to work closely with Alcoa in the development of a joint exception request to exclude the Moses-Alcoa 115 kV transmission lines from the BES. It is anticipated the exception request will be submitted to NPCC for evaluation in April 2015.

NYPA reached a tentative agreement with the NYISO as to NYPA becoming a NERC registered Transmission Planner under a Coordinated Functional Registration (CFR) agreement. Under the agreement, the NYISO will perform the functional responsibilities and have compliance accountability for all but a few requirements under the transmission planning standards that apply to NYPA’s assets. The details of the agreement are currently being developed.

NYPA staff continued discussions with NY Transmission Owners to reach agreements that clarify the roles and responsibilities for compliance management for the Transmission Owner (TO) standards related to NYPA assets operated and maintained by others. NYPA’s discussions with these organizations also focused on reaching agreements, before April 2016, for managing compliance with the Version 5 Critical Infrastructure Protection (CIP) cyber security standards for assets owned by NYPA but that reside in facilities owned by others.

Critical Infrastructure Protection (CIP) Standards - Version 5

Final ballots for five Version 5 Critical Infrastructure Protection Standards revisions and two definitions were approved by the industry on February 2, 2015. The standards will be submitted to the NERC Board of Trustees for adoption and then filed with the appropriate regulatory authorities. NYPA will continue to monitor the regulatory changes and adjust its planned transition for moving from Version 3 to Version 5 accordingly.

The CIP Version 5 Implementation Project Management team is comprised of a Core Transition team and the seven (7) compliance teams. These teams have cross functional representation of NYPA’s internal stakeholders and are focusing on the following areas:

- Review and update of the CIP policies and procedures,
- Identification and classification of all the new in-scope cyber assets,
- Implementation of the physical security controls, and
- Identification and modifications to the work management tools.

The Transition Plan leverages NYPA’s existing CIP Version 3 compliance program by transitioning the existing program to a CIP Version 5 posture by July 2015 and then expanding it to the new Cyber Systems later in 2015. NYPA expects to engage NPCC in July 2015 to conduct an assessment of its progress in moving from Version 3 to Version 5 compliance. The assessment is an opportunity for NYPA to validate its approach and implement any recommendations made by NPCC. Execution of the

implementation plan and the NPCC assessment are expected to enable NYPA to demonstrate compliance with the new standards by the April 1, 2016 enforcement date.

With the cancellation of the January 2015 Board of Trustees meeting, the CIP Version 5 implementation Capital Expenditure Authorization Request (CEAR) was presented for approval at the February 2015 Board of Trustees meeting. A procedural matter further delayed approval of the CEAR until the March 2015 meeting. In the interim, a letter of intent was provided to the successful bidder with a funding release that has enabled the vendor to undertake engineering tasks and initiate other long-lead time activities that are critical to meet the compliance enforcement date. The CIP Version 5 implementation expenditure estimates are included in the Operations budget plan for 2015-2016.

Physical Security Standard

As a result of recently distributed information about an April 2013 coordinated physical attack on a Pacific Gas and Electric Corporation substation, several US Senators requested FERC and NERC to consider whether NERC should establish and enforce standards for physical security for critical electric facilities. As a result, NERC developed a new physical security standard (CIP-014-1 – Physical Security) which was approved by FERC on November 20, 2014 and it will become effective October 1, 2015.

NYPA completed a preliminary risk assessment pursuant to the applicability criteria in the standard and identified several of NYPA's transmission stations and substations that may be subject to the standard. The next step is to identify the stations and substations through system modeling studies that if rendered inoperable or damaged as a result of a physical attack, could result in instability, uncontrolled separation or cascading within an Interconnection. NYPA is working with the NYISO and NY Transmission Owners to develop a modeling methodology to ensure consistency across New York State in the assessment and identification of transmission facilities that will be subject to this standard. Those facilities that are identified from the modeling studies will be subject to other requirements including a vulnerability assessment and a documented security plan that must be reviewed and updated every 30 months.

NPCC Spot Check Audits

On July 29, 2014, NPCC initiated an off-site Spot Check Audit of the operations and planning standard PRC-002-NPCC-001 – Disturbance Monitoring for NYPA's Transmission Owner function registration. NYPA submitted the required compliance documentation on October 17, 2014. The NPCC audit staff completed its review of NYPA's compliance documentation and provided a preliminary indication that NYPA is fully compliant with PRC-002-NPCC-001. There were no findings or recommendations in the final NPCC Spot Check Audit report issued in January 2015."

Mr. Joseph Gryzlo, Vice President and Chief Ethics & Compliance Office provided highlights on the recent developments and status of NYPA's Ethics and Compliance Program. He said the Ethics & Compliance staff primarily focuses on outside employment activities and reviews, post-employment considerations, conflicts of interest reviews and "gifts" matters. The Authority continues to receive inquiries requiring interpretation of the New York State Public Officers Law provisions applicable to board members, officers and employees of the Authority. Also, staff collaborates with the State Inspector General's Office on various matters within its jurisdiction. However, staff did not receive any new referrals for investigation of matters from the New York State Inspector General's Office since the last meeting of the Committee.

Mr. Gryzlo said that filing of financial disclosures is due on May 15th. The Joint Commission on Public Ethics (“JCOPE”) administers the state financial disclosure program and will notify required filers of their obligation to file and provide instructions for electric filing. In addition, Ethics & Compliance staff notifies employees required to file of their obligation and provides assistance with the completion and submission of their financial disclosure statements. He said certain job categories are exempt from filing and certain individuals have specific exemptions applicable to them.

Mr. Gryzlo said that during the last reporting period, the Authority terminated the services of a manager for inappropriately misusing the Authority’s business credit card/travel card under its Code of Conduct and the Public Officers Law. The manager was not fully cooperative in the investigation; however, the matter was facilitated along with the Human Resources Employee Relations Group and has been concluded.

Mr. Gryzlo said the Ethics & Compliance office was audited by the Internal Audit Department. Specifically, the “Employee Concerns Line,” which is the outsourced hotline where employees and/or members of the public can make inquiries or report concerns. The Audit Department identified certain observations to enhance the Ethics & Compliance internal process for handling claims and documenting and coordinating matters. Ethics & Compliance have agreed to those recommendations and will implement them during this calendar year.

Mr. Gryzlo continued that the Reliability Standards Compliance (“RSC”) program is robust and in high regard by the regulators, both in the North East Power Coordinating Council, the regional regulator, and the North American Electrical Reliability Corporation, the national regulator. The RSC Group has very strong governance practices in terms of policies and procedures. The group has a well-organized process for identifying potential violations of the reliability standards, evaluating them “in-house” and with senior management review, prior to determining if they need to be reported to the regulators. In those instances where the Authority has to report to the regulators, because of the Authority’s reputation for having a strong program, it has resulted in very favorable treatment, from an enforcement standpoint, by the regulators.

In response to a question from Authority Chairman Koelmel, Mr. Gryzlo said the term “case” is related to an inquiry of any nature and can be under the Public Officers Law or the Authority’s Code of

Conduct. The Authority's "cases" were largely from employees coming directly to the Ethics & Compliance office or through their supervisor. Also, an inquiry may be an email or telephone call from Human Resources, Internal Audit, a supervisor, or any member of the executive management. Responding to further questioning from Authority Chairman Koelmel, Mr. Gryzlo said Ethics & Compliance receives inquiries and cases from every Power Authority operating facility, as well as headquarters, the bulk of which comes from White Plains and Albany. Responding to still further questioning from Chairman Koelmel, Mr. Gryzlo said the 37 inquiries reported is not a cause for alarm since not every inquiry is a problem; oftentimes it just serves as a reaffirmation. And the office of Ethics & Compliance encourages employees to come in to them with any problems or questions of concern.

Responding to another question from Authority Chairman Keolmel, Mr. Gryzlo said the Authority still conducts its annual Ethics training. In fact, December last year, for the first time, a video presentation was made on the gifts requirements under the Public Officers Law and Code of Conduct, and it was well-received by the employees. He ended by saying that the Ethics & Compliance Office has a comprehensive program in place and stands ready to implement JCOPE's requirements that come to the Authority through the Governor's office.

4. **Motion to Conduct an Executive Session**

Mr. Chairman, I move that the Authority conduct an executive session pursuant to the Public Officers Law of the State of New York section §105 to discuss matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. Upon motion made and seconded an Executive Session was held.

5. **Motion to Resume Meeting in Open Session**

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made and seconded, the meeting resumed in Open Session.

6. Next Meeting

Chairman Nicandri said the next regular meeting of the Governance Committee is to be held on Thursday, July 30, 2015 at a time to be determined.

Closing

Upon motion made and seconded, the meeting was adjourned by the Chairman at approximately 10:40 a.m.

Karen Delince
Corporate Secretary

March 26, 2015

EXHIBITS

For

March 26, 2015

Meeting Minutes

PROCUREMENT CONTRACTS SUMMARY

January - December 2014

In accordance with the Procurement Guidelines, “procurement contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) 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 prior to December 31, 2014. These contracts have been active during 2014 and are \$5,000 or greater in value. There are 2,182 such contracts with a total estimated value of more than \$3.5 billion not including fossil fuel or corporate finance expenditures covered in Sections 2b-6 and 2b-7 of this report. Total expenditures in 2014 exceeded \$484 million for these contracts.

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

- 10% of these contracts are for Construction Services;
- 45% are for the purchase of Equipment and Commodities;
- 2% are for Architectural and Engineering Services;
- 1% are for Legal Services;
- 14% are for Personal Service contracts such as professional consulting services;
- 28% are for Non-Personal Service contracts such as maintenance, technicians, contracted personnel, maintenance and repairs.

Based on the total value of the contracts included in this summary, approximately 97% of the total dollars expended were for contracts that were competitively bid and approximately 3% were for sole/single-source awards. The basis for the sole/single-source awards included the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis, proprietary sources, procurement from New York State-certified Minority- and Women-owned Business Enterprises (MWBs) and NYS Small Businesses.

On March 31, 2015, the “2014 Annual Report of Procurement Contracts” will be certified by the Authority’s Chief Financial Officer and submitted to the Authorities Budget Office through the Public Authorities Reporting Information System (PARIS). Additionally, a version of the “2014 Annual Report of Procurement Contracts” will also be submitted to various state entities, in accordance with § 2879 of the Public Authorities Law (“PAL”).

DISPOSAL OF PERSONAL PROPERTY

January – December 2014

2014 Annual Report of Disposal of Personal Property

Public Authorities Law (“PAL”) § 2896, enacted as part of the Public Authorities Accountability Act of 2005 (“PAAA”), as amended by the Public Authorities Reform Act of 2009 (“PARA”), requires the Authority to prepare a report, not less frequently than annually, listing all Personal Property disposed of during the reporting period. Furthermore, pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President of Procurement is required to report to the Committee at all regularly scheduled meetings. To that end, the 2014 Annual Report of Disposal of Personal Property over \$5,000 in value is attached. The description of the property, purchaser’s name and price received by the Authority, as required by PAL § 2896, will be presented in the official 2014 Annual Report of Disposal of Personal Property for review and approval by the full Board of Trustees at their March 26, 2015 meeting, referenced in the Authority’s § 2800 Annual Report and included in other filings with various State entities, in compliance with applicable law. The sale price and other additional data (such as fair market value, date of transaction, full address of purchaser, etc.) required by the Authorities Budget Office (“ABO”) will be included in the 2014 Public Authorities Reporting Information System (“PARIS”) Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2015.

FACILITIES – Fourth Quarter 2014 Activity

During the reporting period, there were two (2) Personal Property Disposal transactions over \$5,000 in value, as further set forth on page 2 of the attached Report. Of this number, one was for the disposal / sale of scrap metals at the Blenheim-Gilboa Project, which was competitively bid by the facility Property Disposal Coordinator (“PDC”) through a Request for Quotations (“RFQ”), resulting in payment to the Authority of \$15,200.00; the other was for the sale of scrap metals at the Clark Energy Center, which was competitively bid by the facility PDC through an RFQ, resulting in payment to the Authority of \$10,220.00.

The Facilities “Price Received by the Authority” for these two transactions during October-December 2014 was \$25,420.00.

FACILITIES – 2014 Annual Summary and Subtotal

Pages 1-2 include ten (10) Personal Property disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) during the 2014 reporting year, as further set forth in the attached Report. All ten disposals were competitively bid (through RFQs for individual transactions, existing competitively bid contracts or online auction conducted by Auctions International); nine of the items were sold through the competitive bid process, and one item was disposed of by negotiation after two unsuccessful competitive bid offerings. They are summarized below by Facility:

- Blenheim-Gilboa Project: 1 transaction – for the sale of scrap metals, resulting in payment to the Authority of \$15,200.00;
- Clark Energy Center: 2 transactions – one for the sale of a Cincinnati Planer Mill, resulting in payment to the Authority of \$26,500.00, and the other for the sale of scrap metals, resulting in payment to the Authority of \$10,220.00 -- for total net proceeds of \$36,720.00;
- Niagara Project: 6 transactions – for the sale of scrap metals, resulting in net proceeds to the Authority of \$107,970.40;
- St. Lawrence/FDR Project: 1 transaction – for the sale of scrap metals, resulting in net proceeds to the Authority of \$12,748.80.

The 2014 Annual Total “Price Received by the Authority” for these Personal Property Disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) at the Facilities and WPO was \$172,639.20.

FLEET – Fourth Quarter 2014 Activity

During the reporting period, the Authority participated in one Fleet-related auction conducted on behalf of the Authority’s Fleet Operations Division by the firm Auctions International, Inc. (of Buffalo, NY) on November 15, 2014. Such auction, which consisted of both a physical presence as well as an online component, resulted in the sale of a total of 29 units or lots comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 12 disposal transactions with a Sale Price over \$5,000, which are listed on pages 3-4 of the attached Report. The auction “Sale Price” (Gross) for these 12 units was \$131,500.00, which resulted in a “Price Received by the Authority” (Net Amount) of \$129,960.00 after transportation and other costs were deducted.

In summary, the Fleet “Price Received by the Authority” (Net Amount) for these 12 transactions conducted during October-December was \$129,960.00.

FLEET – 2014 Annual Summary and Subtotal

Pages 3-4 include 39 disposal transactions with a Sale Price over \$5,000 conducted on behalf of the Authority’s Fleet Operations division in 2014. The Authority participated in two Fleet-related auctions conducted by the firm Auctions International, which resulted in the sale of a total of 82 units comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 39 disposal transactions with a Sale Price over \$5,000, which are listed on the attached Report. The total auction “Sale Price” (Gross) for these 39 units was \$436,800.00, which resulted in a “Price Received by the Authority” (Net Amount) of \$431,410.00 after transportation and other costs were deducted.

Such auctions consisted of both a physical presence as well as an online component. The first auction took place on May 31, 2014 at L&L Storage in Utica, NY and resulted in the sale of a total of 53 units or lots, of which 27 were over \$5,000. The second auction was held on November 15, 2014 at L&L Storage in Utica, NY and resulted in the sale of a total of 29 units or lots, of which 12 were over \$5,000.

Additionally, at their meeting of January 28, 2014, the Authority's Trustees approved the transfer without charge of one (1) additional Authority fleet vehicle to the New York State Office of General Services ("OGS") for use by OGS in furtherance of its strategic goal to minimize state expenditures and become as efficient as possible in the use of all resources at their disposal. Such transfer was completed during the First Quarter of 2014 and is listed on page 5 of the attached Report.

In summary, the **2014 Fleet Total "Price Received by the Authority" for the 39 auction transactions over \$5,000 was \$431,410.00.**

Grand Total as of 12/31/14

As summarized on page 5 of the attached Report, the **2014 Grand Total "Price Received by the Authority" (Net Amount)** for all Personal Property in excess of \$5,000 was **\$604,049.20** [Sale Price (Gross) \$609,439.20 less \$5,390.00 (transportation and other costs, where applicable)]. (It should be noted that an additional \$46,024.00 was received for the sale of 43 Fleet units with a value less than or equal to \$5,000, which are therefore not included in the attached Report.)

POWER AUTHORITY OF THE STATE OF NEW YORK

2014 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 6,889.29	\$ 6,889.29
CINCINNATI PLANER MILL AT CLARK ENERGY CENTER	AMERICAN MACHINERY LIQUIDATORS INC	\$ 26,500.00	\$ 26,500.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 26,082.00	\$ 26,082.00
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SERVICES	\$ 12,748.80	\$ 12,748.80
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 31,252.11	\$ 31,252.11
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 27,126.23	\$ 27,126.23
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,531.55	\$ 8,531.55
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,089.22	\$ 8,089.22

POWER AUTHORITY OF THE STATE OF NEW YORK

2014 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SCRAP METALS AT B-G PROJECT	PHOENIX METAL RECYCLING INC	\$ 15,200.00	\$ 15,200.00
SCRAP METALS AT CLARK ENERGY CENTER	PHOENIX METAL RECYCLING INC	\$ 10,220.00	\$ 10,220.00
SUBTOTAL:		\$ 172,639.20	\$ 172,639.20

POWER AUTHORITY OF THE STATE OF NEW YORK
2014 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
1980 NISSAN BF03 FORKLIFT	MOHAWK INDUSTRIAL WERKS LLC	\$ 6,200.00	\$ 150.00	\$ 6,050.00
1997 GROVE AMZ50XT	FRANCIS KNOBLOCH	\$ 6,000.00	\$ 60.00	\$ 5,940.00
2001 JOHN DEERE TRACTOR	COTRUPE AUTO SALES	\$ 10,000.00	\$ 60.00	\$ 9,940.00
2002 JLG 600SC MANLIFT	JEFFREY GETTI	\$ 6,500.00	\$ 160.00	\$ 6,340.00
2002 JLG 660SJC MANLIFT	MARTIN GALASSO	\$ 16,250.00	\$ 160.00	\$ 16,090.00
2002 JLG 860SJ MANLIFT	STATE LINE AUTO AUCTION INC	\$ 26,000.00	\$ 160.00	\$ 25,840.00
2003 JACOBSEN HR5111 MOWER	RONALD CASATELLI	\$ 9,400.00	\$ 60.00	\$ 9,340.00
2003 PITTS LOWBOY TRAILER	S & R CONSTRUCTION CO INC	\$ 15,800.00	\$ 210.00	\$ 15,590.00
2004 CHEVY TAHOE	MICHAEL PANGALLO	\$ 6,500.00	\$ 140.00	\$ 6,360.00
2004 TOYOTA PRIUS	GEORGE JOHNSTON	\$ 5,400.00	\$ 140.00	\$ 5,260.00
2005 CHEVY K2500 PICKUP	KERMES PLUMBING	\$ 5,600.00	\$ 140.00	\$ 5,460.00
2005 CHEVY K2500 PICKUP	MOHAWK INDUSTRIAL WERKS LLC	\$ 7,600.00	\$ 140.00	\$ 7,460.00
2005 FORD ESCAPE	SENECALS	\$ 6,700.00	\$ 140.00	\$ 6,560.00
2006 FORD E350 VAN	SENECALS	\$ 8,500.00	\$ 140.00	\$ 8,360.00
2006 FORD ESCAPE	PRONTO TRANSPORT INC OF NY	\$ 5,250.00	\$ 140.00	\$ 5,110.00
2006 FORD ESCAPE	TARDIBONE AUTO MALL	\$ 5,750.00	\$ 140.00	\$ 5,610.00
2006 JEEP CHEROKEE	BRAVO AUTO SALES INC	\$ 7,500.00	\$ 80.00	\$ 7,420.00
2006 TRAILER	BRAD WEAKLEY	\$ 6,500.00	\$ 210.00	\$ 6,290.00
2007 CAMOPLAST TROOPER	MOHAWK INDUSTRIAL WERKS LLC	\$ 29,000.00	\$ 160.00	\$ 28,840.00
2007 FORD F250 PICKUP	AV8TOR MOTORS	\$ 16,200.00	\$ 140.00	\$ 16,060.00
2007 FORD F250 PICKUP	AV8TOR MOTORS	\$ 13,500.00	\$ 140.00	\$ 13,360.00

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

POWER AUTHORITY OF THE STATE OF NEW YORK
2014 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
2007 FORD F250 PICKUP	AV8TOR MOTORS	\$ 14,600.00	\$ 140.00	\$ 14,460.00
2007 FORD F250 PICKUP	AV8TOR MOTORS	\$ 13,500.00	\$ 140.00	\$ 13,360.00
2007 FORD F250 PICKUP	SENECALS	\$ 14,200.00	\$ 140.00	\$ 14,060.00
2007 FORD F350 PICKUP	L & L SURPLUS OF UTICA INC	\$ 14,200.00	\$ 140.00	\$ 14,060.00
2007 FORD F350 PICKUP	PETER JONES	\$ 16,900.00	\$ 140.00	\$ 16,760.00
2007 FORD F350 PICKUP	SENECALS	\$ 11,700.00	\$ 140.00	\$ 11,560.00
2007 FORD F350 PICKUP	SENECALS	\$ 16,000.00	\$ 140.00	\$ 15,860.00
2008 CHEVY AVALANCHE	BRAVO AUTO SALES INC	\$ 8,500.00	\$ 140.00	\$ 8,360.00
2008 CHEVY AVALANCHE	THE CAR STORE INC	\$ 10,300.00	\$ 140.00	\$ 10,160.00
2008 FORD ESCAPE	BARBARA MCCONNELL	\$ 8,100.00	\$ 140.00	\$ 7,960.00
2008 FORD ESCAPE	ISLAND AUTO SALES & SERVICE INC	\$ 5,500.00	\$ 140.00	\$ 5,360.00
2008 FORD ESCAPE	ISLAND AUTO SALES & SERVICE INC	\$ 5,250.00	\$ 140.00	\$ 5,110.00
2008 FORD F250 PICKUP	AV8TOR MOTORS	\$ 13,200.00	\$ 140.00	\$ 13,060.00
2008 FORD F350 PICKUP	AV8TOR MOTORS	\$ 15,400.00	\$ 140.00	\$ 15,260.00
2008 FORD F550 PICKUP	GLEASON'S SEPTIC AND DRAIN	\$ 14,600.00	\$ 140.00	\$ 14,460.00
2008 FORD F550 UTILITY TRUCK	BUTLER VALLEY SALES	\$ 15,000.00	\$ 140.00	\$ 14,860.00
2008 FORD F550 UTILITY TRUCK	BUTLER VALLEY SALES	\$ 8,000.00	\$ 140.00	\$ 7,860.00
2011 CHEVY TAHOE	THE CAR STORE INC	\$ 11,700.00	\$ 140.00	\$ 11,560.00

FLEET SUBTOTAL: \$ 436,800.00 \$ 5,390.00 \$ 431,410.00

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

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by the Authority
<u>Transferred to NYS OGS w/o charge:</u>				
2004 CHEVY TAHOE	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A

FLEET SUBTOTAL Page 4:	\$ 436,800.00	\$ 5,390.00	\$ 431,410.00
+ SUBTOTAL Page 2:	<u>\$ 172,639.20</u>	---	<u>\$ 172,639.20</u>
GRAND TOTAL:	<u>\$ 609,439.20</u>	\$ 5,390.00	<u>\$ 604,049.20</u>

ACQUISITION AND DISPOSAL OF REAL PROPERTY

January- December 2014

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, 2014.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

KJM Reese Enterprises, LLC - Acquired a Permanent Easement from KJM Reese Enterprises, LLC for 1.2 acres (Map No. LL-1201, Parcel 1201). The Easement was recorded on March 10, 2014 and the consideration was \$700.00.

O'Reilly Berm - Acquired a Permanent Easement from Brian O'Reilly and Linda Beebe consisting of .612 acres in the Town of Blenheim (Map No. 202, Parcel 202). The Easement was recorded on April 3, 2014. There was no consideration for this transaction.

The Development Corporation - Acquisition of right-of-way across lands owned by The Development Corp in the Town of Plattsburgh to provide alternate access to the NYPA ROW. This License Agreement was recorded on June 2, 2014. There was no consideration for this transaction.

New York State Electric & Gas Corporation - Acquired a Temporary Grant of Easement from New York State Electric & Gas Corporation in the Town of Thompson for the construction of Shunt Reactor Facilities. This Temporary Grant of Easement was executed on October 9, 2014. The consideration for this transaction was \$1.00.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 205 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 lines.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

Ellenburg - Conveyed 3.91 acres improved by communications tower and related equipment to The County of Franklin (Map No. CL-909, Parcel 951 and Map No. CL-910, Parcel 952). The deed was recorded on March 21, 2014 and the consideration was \$1.00. This transaction was approved by the Board of Trustees on December 17, 2013.

U.S. Army Corps of Engineers - Executed a Declaration of Restrictive Covenants with the U.S. Army Corps of Engineers to preserve wetlands on Authority property in the Town of Blenheim and County of Schoharie. This was recorded on May 13, 2014.

Verizon New York, Inc. - Granted an Easement to Verizon New York, Inc. to provide communications/telephone access for Maid of the Mist Storage Facilities (Tax Map No. 130.13-1-63) in the City of Niagara Falls. The Grant of Easement was recorded on May 29, 2014 (Received by NYPA on July 17, 2014). The consideration for this transaction was \$1.00.

Niagara Mohawk Power Corporation - Granted an Easement to allow Niagara Mohawk Power Corporation to install overhead electric facilities on property located in the City of Buffalo, County of Erie. The Grant of Easement was executed on September 25, 2014. The consideration for this transaction was \$1.00.

2.) Land Use Permits:

During this reporting period, the real estate group issued 44 land use permits for use of real property owned or under the control of the Authority:

LAND USE PERMITS			
Permit No.	Town/ Issue Date	Permittee	Purpose
BG-14-1P	Blenheim 4/4/2014	U.S. Geological Survey	Install instrumentation for scientific landslide monitoring and investigations.
CEC-14-3P	Marcy 12/15/2014	Deerfield Snow Trail, Inc.	Operating and maintaining a seasonal snowmobile trail.
FE-13-3P	New Haven 1/6/2014	National Grid, Inc.	Construct, install, operate, maintain, repair, replace and remove underground electric lines.
FE-14-1P	Western 7/22/2014	David Schallenberg II	Storage and piling of top soil and compost.
GL-14-1P	Rensselaerville 6/16/2014	Central Hudson Gas & Electric Corp.	Remove and replace a 45' distribution pole and install a new pole.
MA-14-2P	Canton 8/7/2014	National Grid, Inc.	Construct and install an underground distribution line.

Exhibit 2b-3
March 26, 2015

Permit No.	Town/ Issue Date	Permittee	Purpose
MA-14-3P	Leyden 12/22/2014	County of Lewis	Install 911 equipment on a NYPA communications tower; Construct, install, operate, maintain, repair, replace and remove a shelter and generator, secured with a perimeter fence.
MS-13-1P	Oneonta 1/23/2014	Wagner Logging, Inc.	Construct, install, maintain, repair, and remove two access roads.
MS-14-1P	Otego 2/4/2014	Gotchess Lumber Co., Inc.	Construct, install, maintain, repair, and remove one access road.
MS-14-2P	Orange 3/10/2014	Central Hudson Gas & Electric Corp.	Re-construct and re-conductor a 13.2kV distribution line from copper to aluminum wire.
NATL-13-9P	Lenox 2/18/2014	Town of Lenox	Install a ten inch water main.
NATL-14-1P	Sullivan 7/23/2014	Drew Kuryla	Repair and maintain a parking area along ROW.
NATL-14-3P	Clay 10/14/2014	Town of Clay	Operate, replace, repair, remove and maintain one new baseball field surrounded by a 200' fence line along the ROW.
NATL-14-4P	Lockport 12/1/2014	Town of Lockport	Construct, install, operate, and maintain a 10' waterline.
NPP-13-7P-AI	Niagara 2/5/2014	O'Brien & Gere, Inc. of North America and Severson Environmental Services	Remove a portion of an existing "Slag Mound" of contaminated soil/slag and sediment.
NPP-13-7P-AII	Niagara 6/10/2014	O'Brien & Gere, Inc. of North America	Remove an additional portion of an existing "Slag Mound" of contaminated soil/slag and sediment.
NPP-14-1P	Buffalo 5/20/2014	FOIT Albert Associates	Access to perform Soil Borings and environmental soil testing.
NPP-14-2P	Niagara Falls 4/11/2014	Niagara Falls Water Board	Access, ingress, egress and regress over and across an existing road in support of Permittee's "Iroquois Street Sewer Lining Project"
NPP-14-2P (new numbering system)	Niagara Falls 12/18/2014	Niagara Falls Bridge Commission	Access for parking official vehicles during the construction of the Permittee's facilities.

Exhibit 2b-3
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Permit No.	Town/ Issue Date	Permittee	Purpose
NPP-14-3P	Buffalo 5/20/2014	SBA Communications, Corp.	Placement and operation of a crane to perform maintenance on a cell tower.
NPP-14-4P	Niagara Falls 5/22/2014	Midtown Little League	Maintain two existing combination Little League/ T-ball fields.
NPP-14-5P	Buffalo 8/19/2014	Erie Canal Harbor Development Corporation	Install permanent lighting on the Connecting Terminal Grain Elevator.
NPP-14-6P	Niagara Falls 9/30/2014	NYS of Parks, Recreation and Historical Preservation and NYS Department of Transportation	Make improvements and modifications to the Robert Moses Parkway, as well as to dismantle, transport and store the “Old Stone Chimney”.
NPP-14-7P	Niagara Falls 9/8/2014	National Grid, Inc.	Improve an existing road to access transmission lines.
NPP-14-8P	Niagara Falls 8/18/2014	NYS Office of Parks, Recreation and Historical Preservation	Restore the Park Police barracks site.
NPP-14-10P	Niagara Falls 9/19/2014	Niagara Falls Firefighters Christmas Toy Fund	Hold a 5K Walk/Run fundraiser.
NPP-14-12P	Niagara Falls 10/20/2014	NYS Office of Parks, Recreation and Historical Preservation and Scotts Lawn, Inc.	Restore, replace, and return to its pre-existing condition the area as shown on Exhibit “A”.
NPP-14-13P	Niagara Falls 9/15/2014	Parsons Brinckerhoff, Inc. and NYS Office of Parks, Recreation and Historical Preservation	Environmental testing for the possible construction of a new “Park Police Sub-Station”.
NPP-14-15P	Lewiston 10/31/2014	Lewiston #2 Volunteer Fire Company	Carry out occasional training exercises and practice drills on an ongoing basis.
NPP-14-19P	Niagara Falls 9/22/2014	Niagara Falls Bridge Commission	Access for repairs and maintenance to their bridge.
SH-14-1P	Russia 11/17/2014	U.S. Geological Survey	Conduct testing on the Hinckley Reservoir.
SLPP-13-19P	Massena 2/6/2014	U.S. Geological Survey	Conduct water quality sampling.
SLPP-14-1P	Massena 3/17/2014	Glory In Our Hearts Foundation and Road Runners Club	Access for 5K walk/run.
SLPP-14-2P	Massena 4/10/2014	Alcoa, Inc.	Perform environmental sampling and related activities.

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March 26, 2015

Permit No.	Town/ Issue Date	Permittee	Purpose
SLPP-14-3P	Massena 5/2/2014	Lee Harper, Riveredge Associates	Collect Osprey eggs for analytical testing of PCB's and other contaminants in and near the St. Lawrence River.
SLPP-14-4P	Massena 6/10/2014	Clarkson University, Dr. Twiss	Temporary installation and operation of a water quality sensor array.
SLPP-14-5P	Waddington 5/26/2014	Village of Waddington	Access Whittaker Park for a fishing event.
SLPP-14-6P	Waddington 7/22/2014	Majestic Fireworks, Inc.	Access Ogden Island for a fireworks display.
SLPP-14-7P	Waddington 7/22/2014	Town of Waddington	Display fireworks on Ogden Island.
SLPP-14-8P	Waddington 9/15/2014	Young Explosives Corporation	Access Ogden Island for a fireworks display.
SLPP-14-9P	Waddington 9/19/2014	Village of Waddington	Hold the 2014 BassMaster Tournament and craft fair.
SLPP-14-10P	Waddington 8/15/2014	St. Lawrence County Chamber of Commerce	Hold the 12 th Annual Jr. Carp Tournament.
SLPP-14-12P	Massena 11/7/2014	Special Olympics, New York Inc.	Hold the annual Polar Plunge.
WPO-14-2P	White Plains 4/22/2014	NYS Department of Economic Development	Temporary use of approximately 304 square feet of office space on the 16 th floor, 123 Main Street.

III. LEASING

Tenant Leases:

Omni Development Corp.

During this reporting period NYPA RE entered into a 5-year extension to July 31, 2020 of an existing lease with Omni Development Corp. for the rental of office space in Albany, NY.

Wheatfield Office Park

During this reporting period, NYPA RE, at the request of Niagara Project Management, extended the warehouse lease at the Wheatfield Office Park for an additional six (6) month term to commence at the expiration of the present term, October 31, 2014, and extend to April 30, 2015. This lease is for approximately 7,790 square feet and has an annual rental of \$24,149.

Bartnick Irrevocable Trust

During this reporting period, entered into a 6-month extension, from 5/1/14 through 10/31/14, of an existing lease with Bartnick Irrevocable Trust for the rental of transmission maintenance storage space in Utica, NY. Also entered into an additional extension, from 11/1/14 through 10/31/15, of the same lease with Bartnick Irrevocable Trust.

Fuller Road Management Corp.

During this reporting period, Real Estate staff successfully negotiated and finalized the terms of a ten-year lease for approximately 402 square feet of space in the NanoEast building on the campus of the SUNY College of Nanoscience and Engineering in Albany, NY. This space is for the Energy Management Center (EMC). The initial annual rent is \$8,884.00, with annual increases of 3%.

Duke Realty, LLC

During this reporting period, entered into a 1-month extension, from 2/28/14 through 3/31/14, of an existing lease with Duke Realty, LLC for warehouse space in Pleasantville, NY. This lease is now terminated.

Iskalo Electric Tower Master Tenant LLC

During this reporting period Real Estate staff successfully negotiated and finalized the terms of a five-year lease for approximately 3,614 square feet of office space located on the 2nd floor of 535 Washington Street in Buffalo, NY.

Landlord Leases:

Berman, Frucco, Gouz, Mitchel & Schub, P.C. - WPO

During this reporting period, NYPA RE, together with the law department and corporate support services, successfully negotiated and finalized the terms of a five year lease with the law firm of Berman, Frucco, Gouz, Mitchel & Schub, P.C. The Berman firm has been in the building since 1998, but its lease, including all extensions and options, was set to expire on September 30, 2014. This lease is based on the following terms:

Tenant	Space	Expiration	Initial Annual Rental
Berman, Frucco, Gouz, Mitchel & Schub, P.C.	7,814 feet, on the 17 th floor	9/30/19	\$187,536

In addition, the lease includes a \$3.00 psf annual electrical factor.

Hodogaya Chemical (U.S.A.) Inc.

During this reporting period, Real Estate staff successfully negotiated and finalized the terms of a five year and two month lease with Hodogaya Chemical (U.S.A) Inc. Hodogaya Chemical has been in the building since 1994, but its lease, including all extensions and options, was set to expire on May 31, 2015. This lease is based on the following terms:

Exhibit 2b-3
March 26, 2015

Tenant	Space	Expiration	Initial Annual Rental
Hodogaya Chemical (U.S.A.) Inc.	2,441 feet, on the 9 th floor	7/31/20	\$60,414.75

IV. 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 the affected local municipality or to adjoining landowners, if interested. For all conveyed lands, the Authority retains a flowage easement and access easements, where, 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
1170C	8716	Steven Larue	.52	\$1,560.00	12/11/2013	Waddington
1129C	8062	Richard and Elizabeth Henderson	.23	\$550.00	3/18/2014	Waddington
1151C	8247	Timothy T. Brady	.44	\$150.00	7/10/2014	Waddington
1151C	8248	Timothy T. Brady	.75	\$200.00	7/10/2014	Waddington
1151C	8249	Timothy T. Brady	.68	\$300.00	7/10/2014	Waddington
1196C	8332	Village and Town of Waddington	.412	\$1.00	7/10/2014	Waddington
1154C	8272	Gregory K. Hollis	.19	\$300.00	7/24/2014	Waddington
1170C	8715	Edward and Janice Albert	.47	\$1,410.00	7/31/2014	Waddington
1196C	8676	Village and Town of Waddington	2.255	\$1.00	9/4/2014	Waddington
1180C	8541	Dominick Violi	.18	\$2,700.00	9/4/2014	Louisville

During this reporting period 10 deeds were filed and recorded in the County Clerk's office. This brings the total to 519 of the 599 acres that have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 438 parcels have been completed. The remaining properties have been offered to the landowners or municipalities as agreed. In the majority of these cases the landowners or municipalities have indicated that they do not wish to acquire the properties in question.

SUPPLIER DIVERSITY PROGRAM (SDP)
January – December 2014

In the last quarter ending December 31, 2014, NYPA awarded \$17.4 million or 20.37% of our reportable expenditures to New York State-certified Minority- and Women-owned Business Enterprises (“MWBEs”). From January through December 2014, the Authority awarded \$72.2 million or 21.87% of our reportable expenditures to New York State-certified MWBEs. This includes both direct contracts and subcontracts, including construction and energy efficiency-related work. The State-mandated goal for fiscal year 2013-2014 was 20% and the Authority successfully achieved that goal.

It should also be noted that during calendar year 2014, Treasury’s transactions with four (4) New York State-certified MWBE financial dealers totaled over \$302 million in principal sales and purchases for the Authority.

The Service-Disabled Veteran-Owned Business Act, signed into law by Governor Andrew M. Cuomo on May 12, 2014, allows eligible Veteran business owners to become certified as a New York State Service-Disabled Veteran-Owned Business (“SDVOB”) in order to increase participation in New York State's contracting opportunities. OGS has selected a pilot group of agencies and authorities that will provide the greatest likelihood of maximizing the utilization of SDVOBs. The Authority has been selected as one of four (4) authorities to participate in this initiative for New York State. Six percent (6%) SDVOB participation goals are sought from participating agencies. Such agency-specific goals are in addition to goals established pursuant to Article 15-A of the Executive Law with respect to procurements from certified MWBEs.

A goal plan for the SDVOB program, an MWBE agency master goal plan and quarterly MWBE utilization report were prepared and submitted to the Governor’s office as required by January 15, 2015. Review and approval by the State are pending. The Authority remains responsive to New York State’s legislative requirements, increased surveys, roundtables and inquiries regarding MWBE practices and procedures. Thirty percent (30%) MWBE participation goals are now in effect for all New York State agencies and authorities and this represents the highest such target in the nation.

In 2014, New York State implemented its New York State Contracting System (“NYSCS”) applicable to all State agencies and authorities. It requires all agencies and authorities to utilize this system to input all state contracts into the NYSCS for contract compliance monitoring and reporting, including those that are not subject to Article 15-A requirements. A Memorandum of Understanding between the Authority, Empire State Development and B2G (the software developer of the NYSCS) has been executed to facilitate the Authority’s development, on-boarding and implementation of this requirement. Initial phases are underway and the effort is expected to take several months to complete.

INVENTORY STATISTICS
January - December 2014

Facility	2014	2013
Niagara	20,675,397	19,738,011
St. Lawrence	11,914,250	11,243,637
Blenheim-Gilboa	8,639,162	8,983,713
Clark Energy Center	5,503,952	5,335,497
Poletti Project	8,057,633	8,240,473
Flynn Project	13,649,111 ¹	11,159,241
500 MW Project	25,079,941	25,629,810
Total Stock Value	\$ 93,519,446	\$ 90,330,382

¹ Includes \$2.4 million for net purchase of Flynn turbine blades.

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2014
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-6
March 26, 2015**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	N P A	M B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2014	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL STORAGE AGREEMENT (SETAUKET)	E	1		F		0	13,567,634	13,567,634	557,320	0	04/01/94	O	03/31/19	
FD-1990-34	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL STORAGE AGREEMENT (HOLTSVILLE)	E	1		F		0	4,216,776	4,216,776	139,330	0	10/01/93	O	09/30/18	
FS-1994-17	MERRILL LYNCH (FORMERLY ENTERGY-KOCH TRADING (FORMERLY KOCH)) 20 E GREENWAY PLAZA HOUSTON, TX 77046 US	NATURAL GAS PURCHASE	E	B		F		38	274,705,317	274,705,317	3,762,867	0	07/01/94	O	*	
FS-1997-22	COLONIAL ENERGY 2 RIVERWAY SUITE 2000 HOUSTON, TX 77056 US	NATURAL GAS PURCHASE	E	B		F		38	486,856,236	486,856,236	32,695,906	0	05/01/97	O	*	
FD-2001-23	SEMPRA 58 COMMERCE ROAD STAMFORD, CT 06902 US	NATURAL GAS PURCHASE	E	B		F		38	168,290,671	168,290,671	0	0	12/01/01	O	*	
FD-2002-11	PSEG ENERGY RESOURCES 80 PARK PLAZA FL T19 NEWARK, NJ 07102 US	NATURAL GAS PURCHASE	E	B		F		38	11,017,721	11,017,721	0	0	11/01/02	O	*	
FD-2003-09	J. ARON 85 BROAD STREET NEW YORK, NY 10004 US	NATURAL GAS PURCHASE	E	B		F		38	83,241,402	83,241,402	0	0	04/22/03	O	*	
FD-2003-10	BP ENERGY COMPANY 501 WESTLAKE PARK HOUSTON, TX 77253 US	NATURAL GAS PURCHASE	E	B		F		38	206,642,957	206,642,957	1,044,175	0	10/01/04	O	*	
FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET PLACE BALTIMORE, MD 21202 US	NATURAL GAS PURCHASE	E	B		F		38	55,860,651	55,860,651	0	0	06/09/03	O	*	
FD-2003-15	VIRGINIA POWER ENERGY MARKETING P. O. BOX 25773 RICHMOND, VA 23360 US	NATURAL GAS PURCHASE	E	B		F		38	629,265,426	629,265,426	0	0	07/11/03	O	*	
FD-2004-08	SHELL ENERGY NA (FORMERLY CORAL ENERGY) 909 FANNIN PLAZA HOUSTON, TX 77010 US	NATURAL GAS PURCHASE	E	B		F		38	75,804,347	75,804,347	1,462,352	0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP TWO GREENWAY PLAZA HOUSTON, TX 77046 US	NATURAL GAS PURCHASE	E	B		F		38	180,117,537	180,117,537	0	0	06/01/04	O	*	

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March 26, 2015**

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FD-2005-02	BOSS ENERGY LTD 20445 STATE HWY 249 HOUSTON, TX 77070 US	NATURAL GAS PURCHASE	E	B		F		38	73,839,766	73,839,766	0	0	01/25/05	O	*	
FD-2005-12	NJR ENERGY SERVICES CO. 1415 WYCKOFF ROAD WALL, NJ 07719 US	NATURAL GAS PURCHASE	E	B		F		38	369,159,553	369,159,553	95,879,289	0	09/01/05	O	*	
FD-2006-03	UBS AG / UBS ENERGY LLC 677 WASHINGTON BLVD STAMFORD, CT 06901 US	NATURAL GAS PURCHASE	E	B		F		38	126,500,213	126,500,213	0	0	07/28/06	O	*	
FD-2006-05	PETROCOM VENTURES LTD 1616 S VOSS SUITE 945 HOUSTON, TX 77057 US	NATURAL GAS PURCHASE	E	B		F		38	44,715,916	44,715,916	0	0	07/21/06	O	*	
FD-2006-07	TEXAS GAS TRANSMISSION 3800 FREDERICA STREET OWENSBORO, KY 42301 US	FIRM GAS TRANSPORT/DEMAND AGREEMENT	S	1		F		0	28,497,202	28,497,202	2,239,377	0	07/01/06	O	10/31/16	
FD-2006-08	DOMINION TRANSMISSION 120 TREDEGAR STREET RICHMOND, VA 23219 US	FIRM GAS TRANSPORT/DEMAND AGREEMENT	S	1		F		0	21,716,110	21,716,110	2,240,230	0	07/01/06	O	10/31/16	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL 5316) 2800 POST OAK BLVD HOUSTON, TX 77056 US	FIRM GAS TRANSPORT/DEMAND AGREEMENT	S	1		F		0	13,144,077	13,144,077	1,577,139	0	08/04/06	O	03/31/17	
FD-2006-12	TENASKA MARKETING VENTURES 11718 NICHOLAS STREET OMAHA, NE 68154 US	NATURAL GAS PURCHASE	E	B		F		38	24,432,108	24,432,108	1,339,590	0	10/01/06	O	*	
FD-2007-08	SPARK ENERGY GAS 3010 BRIORPARK DR SUITE 550 HOUSTON, TX 77042 US	NATURAL GAS PURCHASE	E	B		F		38	175,436,155	175,436,155	41,704,564	0	2/14/2007	O	*	
FD-2007-09	INUPIAT ENERGY (FORMERLY ENJET, INC) 5373 WEST ALABAMA- SUITE 502 HOUSTON, TX 77056 US	NATURAL GAS PURCHASE	E	B		F		38	148,511,468	148,511,468	0	0	3/21/2007	O	*	
FD-2007-10	ASTORIA GENERATING COMPANY, LP 18-01 20TH AVENUE ASTORIA, NY 11105 US	OIL DELIVERY LABOR FEES	S	1		F		0	60,771	60,771	19,436	0	07/17/06	O	*	
FD-2008-01	eCORP ENERGY MARKETING TEN THOUSAND MEMORIAL HOUSTON, TX 77024-3410 US	NATURAL GAS PURCHASE	E	B		F		38	72,450	72,450	0	0	02/01/08	O	*	

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FD-2008-02	CIMA-ENERGY LTD. 1221 MCKINNEY HOUSTON, TX 77010 US	NATURAL GAS PURCHASE	E	B		F		38	14,597,304	14,597,304	0	0	03/01/08	O	*	
FD-2008-05	SEQUENT ENERGY MGT 1200 SMITH STREET HOUSTON, TX 77010 US	NATURAL GAS PURCHASE	E	B		F		38	36,558,006	36,558,006	0	0	03/01/08	O	*	
FD-2008-06	MACQUARIE COOK ENERGY 10100 SANTA MONICA BLVD LOS ANGELES, CA 90067 US	NATURAL GAS PURCHASE	E	B		F		38	47,096,447	47,096,447	0	0	07/01/08	O	*	
FD-2008-09	CON EDISON, INC. (BALANCING & DEMAND) 4 IRVING PLACE NEW YORK, NY 10003 US	TRANSPORT & BALACNGING SERVICE	E	1		F		0	24,788,852	24,788,852	1,079,541	0	8/1/2008	O	04/30/16	
FD-2008-10	UNITED ENERGY TRADING, LLC 215 UNION BLVD SUITE 425 LAKEWOOD, CO 80228 US	NATURAL GAS PURCHASE	E	B		F		38	133,166,046	133,166,046	42,100,846	0	11/19/08	O	*	
FD-2008-12	eSERVICES, LLC 4461 COX RD STE 113 GLENN ALLEN, VA 23060 US	NATURAL GAS PURCHASE	E	B		F		38	520,725	520,725	0	0	12/01/08	O	*	
FD-2009-03	NATIONALGRID -LI (FLYNN) 100 E OLD COUNTRY RD HICKSVILLE, NY 11801 US	BALANCING SERVICE	E	1	9	F		0	6,600,000	6,600,000	1,100,000	0	01/01/09	C		12/31/14
FD-2009-04	NATIONALGRID -LI (FLYNN) 100 E OLD COUNTRY RD HICKSVILLE, NY 11801 US	TRANSPORT SERVICE	E	1	9	F		0	14,964,000	14,964,000	2,354,228	0	01/01/09	C		12/31/14
FD-2009-05	NATIONALGIRD-NY(GKP) ONE METROTECH CENTER BROOKLYN, NY 11201 US	TRANSPORT SERVICE	E	1	9	F		0	7,212,282	7,212,282	172,017	0	03/01/09	C		05/31/14
FD-2009-06	NATIONALGRID -LI(BRENTWOOD) 100 E OLD COUNTRY RD HICKSVILLE, NY 11801 US	TRANSPORT SERVICE	E	1	9	F		0	928,180	928,180	28,926	0	03/01/09	C		05/31/14
FD-2009-07	CONOCO PHILLIPS COMPANY 600 NORTH DAIRY ASHFORD HOUSTON, TX 77079 US	NATURAL GAS PURCHASE	E	B		F		38	31,365,498	31,365,498	0	0	05/01/09	O	*	
FD-2010-01	JLA ENERGY LLC TWO RIVERWAY, SUITE 730 HOUSTON, TX 77056 US	NATURAL GAS PURCHASE	E	B		F		38	1,286,927	1,286,927	0	0	02/01/10	O	*	
FD-2010-02	IBERDROLA RENEWABLES 1125 N.W. COUCH ST SUITE 700 PORTLAND, OR 97209 US	NATURAL GAS PURCHASE	E	B		F		38	15,768,049	15,768,049	992,755	0	08/09/10	O	*	

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CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O D E	R O A D	O P E R A T I O N	M I N I M U M	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2014	CONTRACT BALANCE	DATE OF CONTRACT	O C C U P I E D	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2011-01	BG ENERGY MERCHANTS, LLC 5444 WESTHEIMER SUITE 1200 HOUSTON, TX 77056 US	NATURAL GAS PURCHASE	E	B		F		38	76,864,179	76,864,179	16,239,324	0	03/01/11	O	*	
FD-2011-02	YAKA ENERGY, LLC 46411 TIMINE WAY PENDLETON, OR 97801 US	NATURAL GAS PURCHASE	E	B		F		38	12,266,833	12,266,833	0	0	03/01/11	O	*	
FD-2011-06	EDF Trading N. America, LLC 4700 WEST SAM HOUSTON PKY NORTH SUITE 25 HOUSTON, TX 77041 US	NATURAL GAS PURCHASE	E	B		F		38	161,485,184	161,485,184	17,588,753	0	06/01/11	O	*	
FD-2011-11	STATOIL NATURAL GAS, LLC 120 LONG RIDGE ROAD STAMFORD, CT 06902 US	NATURAL GAS PURCHASE	E	B		F		38	13,754,561	13,754,561	11,444,306	0	04/18/12	O	*	
FD-2011-12	CHESAPEAKE ENERGY MARKING, INC 900NW 63 ROAD, OKLAHOMA CITY, OK 73118 US	NATURAL GAS PURCHASE	E	B		F		39	10,860,758	10,860,758	5,143,800	0	05/28/13	O	*	
FD-2012-02	REPSOL ENERGY NORTH AMERICA 2001 TIMBERLOCH PLACE SUITE 3000 SPRING, TX 77380 US	NATURAL GAS PURCHASE	E	B		F		38	33,483,679	33,483,679	16,228,250	0	11/13/12	O	*	
FD-2013-08	SAYBOLT LP CORE LABORATORIES 6316 WINDFERN RD HOUSTON, TX 77040 US	OIL INSPECTORS	S	B		F		0	17,224	17,224	17,224	0	01/01/14	O	12/31/16	
FD-2013-10	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	4,112,982	4,112,982	4,112,982	0	01/01/14	C		01/05/14
FD-2014-01	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	7,955,728	7,955,728	7,955,728	0	01/07/14	C		01/10/14
FD-2014-02	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	8,081,716	8,081,716	8,081,716	0	01/15/14	C		01/23/14
FD-2014-03	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	8,569,878	8,569,878	8,569,878	0	01/21/14	C		01/27/14

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2014
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-6
March 26, 2015**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	N P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2014	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2014-04	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	9,746,778	9,746,778	9,746,778	0	01/22/14	C		02/05/14
FD-2014-05	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	9,042,161	9,042,161	9,042,161	0	01/22/14	O	01/31/15	
FD-2014-06	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	5,987,769	5,987,769	5,987,769	0	01/27/14	C		02/02/14
FD-2014-07	APEX OIL CO INC 8235 FORSYTH BLVD SUITE 400 SAINT LOUIS, MO 63105 US	OIL PURCHASE	S	B		F		11	2,887,419	2,887,419	2,887,419	0	02/06/14	C		02/16/14
FD-2014-09	APEX OIL CO INC 8235 FORSYTH BLVD SUITE 400 SAINT LOUIS, MO 63105 US	OIL PURCHASE	S	B		F		11	5,220,469	5,220,469	5,220,469	0	02/11/14	C		02/17/14
FD-2014-10	APEX OIL CO INC 8235 FORSYTH BLVD SUITE 400 SAINT LOUIS, MO 63105 US	OIL PURCHASE	S	B		F		11	2,695,240	2,695,240	2,695,240	0	02/12/14	C		02/16/14
FD-2014-11	NORTHVILLE INDUSTRIES CORP 25 MELVILLE PARK RD MELVILLE, NY 11747 US	OIL PURCHASE	S	B		F		11	7,475,278	7,475,278	7,475,278	0	05/12/14	C		05/19/14
FD-2014-14	NATIONALGRID-NY(GKP) ONE METROTECH CENTER BROOKLYN, NY 11201 US	TRANSPORT SERVICE	E	1	9	F		0	483,739	483,739	483,739	0	06/01/14	O	05/31/17	
FD-2014-15	NATIONALGRID - LI(BRENTWOOD) 100 E OLD COUNTRY RD HICKSVILLE, NY 11801 US	TRANSPORT SERVICE	E	1	9	F		0	349,206	349,206	349,206	0	06/01/14	O	05/31/17	
FD-2014-16	PACIFIC SUMMIT ENERGY, LLC 4675 MACARTHUR CT STE 750 NEWPORT BEACH, CA 92660 US	NATURAL GAS PURCHASE	E	B		F		38	7,075,956	7,075,956	7,075,956	0	08/11/14	O	*	
FD-2014-17	APEX OIL CO INC 8235 FORSYTH BLVD SUITE 400 SAINT LOUIS, MO 63105 US	OIL PURCHASE	S	B		F		11	7,136,141	7,136,141	7,136,141	0	09/09/14	C		09/17/14

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2014
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-6
March 26, 2015**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2014	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
		FOSSIL FUELS TOTALS							3,946,077,658	3,946,077,658	385,972,005	0				

NOTE:

* CONTRACT CONTINUES UNTIL TERMINATED BY NYPA OR COUNTERPARTY UPON SPECIFIED NOTICE

**POWER AUTHORITY OF THE STATE OF NEW YORK
CORPORATE FINANCE ACTIVITY
JANUARY - DECEMBER 2014
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-7
March 26, 2015**

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	N P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2014	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 US	TRUSTEE/PAYING AGENT SERVICES ON BONDS	S	C	9	N			451,289	451,289	16,657	0	02/24/98	O	*	
BANK OF NEW YORK (FORMERLY JPMORGAN) 101 BARCLAY STREET NEW YORK, NY 10286 US	TRUSTEE- ARTN	S	C	9	N			254,225	254,225	21,380	0	09/02/03	O	03/01/20	
BANK OF NEW YORK (FORMERLY JPMORGAN) 101 BARCLAY STREET NEW YORK, NY 10286 US	TRUSTEE- COMMERCIAL PAPER	S	C	9	N			166,884	166,884	28,190	0	10/02/06	O	*	
BANK OF NOVA SCOTIA ONE LIBERTY PLAZA, 26TH FL NEW YORK, NY 10006 US	REVOLVING LINE OF CREDIT FOR ARTN	S	C	9	N		6	1,300,901	1,222,956	129,104	77,945	09/04/07	O	09/01/15	
BARCLAYS CAPITAL (ASSIGNED FROM LEHMAN BROS.) ** 745 SEVENTH AVENUE NEW YORK, NY 10019 US	RE-MARKETING AGENT CP-1	S	C	9	N			1,537,161	1,537,161	121,551	0	07/14/94	O	*	
BARCLAYS CAPITAL (ASSIGNED FROM LEHMAN BROS.) 745 SEVENTH AVENUE NEW YORK, NY 10019 US	RE-MARKETING AGENT CP-3	S	2	9	N			10,775	10,775	0	0	06/26/08	O	*	
CITIGROUP 390 GREENWICH STREET NEW YORK, NY 10013 US	RE-MARKETING AGENT CP-2	S	C	9	N			483,612	483,612	17,327	0	12/04/97	O	*	
GOLDMAN, SACHS & CO. 85 BROAD STREET NEW YORK, NY 10004-2456 US	RE-MARKETING AGENT CP-2 AND 3	S	C	9	N			1,016,997	1,016,997	46,135	0	12/04/97	O	*	
GOLDMAN, SACHS & CO. 85 BROAD STREET NEW YORK, NY 10004-2456 US	RE-MARKETING EMCP	S	C	9	N			860,235	860,235	67,416	0	03/04/03	O	*	
GOLDMAN, SACHS & CO. ** 85 BROAD STREET NEW YORK, NY 10004-2456 US	ART NOTES REMARKETING	S	C	9	N			2,272,995	2,272,995	113,860	0	05/15/85	O	03/01/20	
JPMORGAN CHASE 270 PARK AVENUE NEW YORK, NY 10017-2070 US	RE-MARKETING AGENT CP-2	S	C	9	N			233,590	233,590	6,296	0	06/28/01	O	*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
CORPORATE FINANCE ACTIVITY
JANUARY - DECEMBER 2014
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 2b-7
March 26, 2015**

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 2014	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
JPMORGAN CHASE 270 PARK AVENUE NEW YORK, NY 10017-2070 US	RE-MARKETING AGENT CP-3	S	C	9	N			614,540	614,540	13,411	0	12/04/97	O	*	
JPMORGAN CHASE 270 PARK AVENUE NEW YORK, NY 10017-2070 US	ESCROW AGENT POCR/CASP & LMEI FUNDS	S	C	9	N			530,029	530,029	14,596	0	05/30/96	O	*	
JPMORGAN CHASE 270 PARK AVENUE NEW YORK, NY 10017-2070 US	REVOLVING LINE OF CREDIT 2011	S	C	9	N		2	12,902,608	12,795,663	2,055,455	106,944	01/20/11	O	01/20/15	
MORGAN STANLEY 1221 AVENUE OF THE AMERICAS NEW YORK, NY 10020 US	RE-MARKETING AGENT CP-1	S	C	9	N		7	301,837	301,837	65,416	0	03/31/09	O	*	
RBC CAPITAL MARKETS ** 1211 AVENUE OF THE AMERICAS NEW YORK, NY 10036 US	RE-MARKETING AGENT CP-1	S	C	9	N			471,670	471,670	97,841	0	07/14/94	O	*	
CORPORATE FINANCE TOTALS								23,270,541	22,561,678	2,151,854	708,863				

NOTES:

* CONTRACT CONTINUES UNTIL TERMINATED BY NYPA OR COUNTERPARTY UPON SPECIFIED NOTICE

** EXPENSE HISTORY ONLY AVAILABLE FROM 1997

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, Article 15-A 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, 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 for energy with or without environmental attributes included, capacity, ancillary services, transmission, distribution or related services in support of providing service to Authority customers; contracts for differences; financial hedge contracts (including but not limited to swaps, calls, puts or swap options) and credit rating services. In addition, Non-Procurement Contracts include direct placement of advertisements with radio, television, print and electronic media, periodicals, subscriptions, reference materials or professional research tools, written materials, fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, funding agreements, co-funding agreements, grants or memberships in various industry groups, professional societies or similar cooperative associations, or any cooperative projects and procurement activities conducted or sponsored by such organizations in which the Authority participates.
- C. “Services Contracts” are Procurement Contracts for services of a consulting, professional or technical nature provided by outside consultants/contractors (individuals, partnerships or firms who are not and do not employ officers or employees of the Authority) for a fee or other compensation. Services Contracts comprise three specific types: Personal Services, Non-Personal Services and Construction. Personal Services include, but are not limited to: accounting, architectural, engineering, financial advisory, legal, public relations, planning,

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

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

- D. “Goods” include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as “Equipment,” where 60% or more of the total projected contract value will be for the purchase of equipment, material or supplies.
- E. “Evaluation of Proposals,” as further set forth in Section 4 below, includes as evaluating factors the Authority’s consideration of a bidder’s skill, judgment and business integrity.
- F. “Contact” is any oral, written or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the 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.
- 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” is a business that is resident 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 offerer over another that can supply the goods or services.
- K. “Sole Source” is a procurement in which only one offerer is capable of supplying the required goods or services.

3. **SOLICITATION REQUIREMENTS**

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Procurement Department, or the facilities’ Procurement Departments, and the initiating department. Except as otherwise authorized by these Guidelines, a Request for Proposals (“RFP”) or Request for Quotations (“RFQ”) will be made available to a minimum of three providers and/or firms (if available) for purchases valued under \$50,000 and a minimum of five providers and/or firms (if available) for purchases valued at \$50,000 and greater, commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance. Whenever possible and practicable, notification of the availability of an RFP and RFQ on the Authority’s Procurement website should be sent to more than five providers.
- B. Prospective bidders on Procurement Contracts may be prequalified by invitation. 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”), the Authority will solicit offers from MWBEs 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 definition of a NYS-certified MWBE is in Section 2.H.

To foster increased use of MWBEs, a single proposal may be sought, negotiated and accepted for purchases of goods and/or services not exceeding \$200,000, in the aggregate including all amendments, from a NYS-certified MWBE that offers a reasonable price for such goods and/or services. The award of such proposal

requires the written approval of the Vice President of Procurement. Any subsequent alteration to the accepted proposal, including, but not limited to, change orders, amendments, or supplemental terms shall also necessitate the written approval of the Vice President of Procurement. Furthermore, the award of such procurement contracts will be noticed on the *Contract Reporter* website, as further set forth in Section 3.H.

- E. It is the policy of New York State to promote the participation of and maximize the opportunities for New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:
1. “New York State Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
 2. “New York State resident” is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
 3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.
 4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.

5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
 6. Pursuant to Public Authorities Law § 2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.
- F. 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 Procurement Department, or facility Procurement 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.
- G. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; milestone dates; the Authority’s Supplier Diversity Program requirements, if applicable; all other applicable Authority requirements and any special methods or limitations that the Authority chooses to govern the work. Telephone solicitation, usually for procurements valued at less than \$50,000, may be used where time constraints do not permit issuance of an RFP, where issuance of an RFP is otherwise impracticable or for goods that are catalog items or do not require a detailed bill of materials or specification. All solicitations made by telephone shall be documented and made part of the Procurement Record.
- H. For all Procurement Contracts with a value equal to or greater than \$50,000 (except for those contracts noted below), the Authority will, prior to soliciting proposals, submit the following information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, (www.nyscr.ny.gov) (unless such posting would serve no useful purpose): (1) the Authority’s name and address; (2) the solicitation number; (3) a brief description of the goods and/or services sought, the location where goods are to be delivered and/or services provided and the contract term; (4) the address where bids or proposals are to be submitted; (5) the due date for bids or proposals; (6) a description of any eligibility or qualification requirements or preferences; (7) a statement as to whether the

contract requirements may be fulfilled by a subcontracting, joint venture or coproduction arrangement; (8) any other information deemed useful to potential contractors; (9) the name, address, and phone number of the person to be contacted for additional information and (10) a statement as to whether the goods and/or services sought have, in the immediately preceding three-year period, been supplied by a Foreign Business Enterprise. Such information will be submitted to the DED Commissioner in accordance with the schedule set forth by the DED. The due date for bids or proposals will be a minimum of 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposal process, the Authority will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

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

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the Procurement 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 contracts not exceeding \$200,000 awarded to Small Businesses or NYS-certified MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for procurement contract bidding opportunities, in accordance with the afore-referenced law. Such notice shall specify the name of the awardee.

I. In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, the Service-Disabled Veteran-Owned Business ("SDVOB") Act was signed into law on May 12, 2014. The SDVOB program provides for eligible Veteran business owners to become certified as a New York State Service-Disabled Veteran-Owned Business. The Division of Service-Disabled Veterans' Business Development within the New York State Office of General Services ("OGS") is responsible for certifying eligible SDVOBs, assisting agencies and authorities in complying with the law, and promoting SDVOB participation in the state's procurement activities. The program is in development; the Authority has been selected to participate in a pilot SDVOB program and is complying with OGS-promulgated procedures and requirements.

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 Procurement Department or the appropriate facility Procurement Department will work with the initiating department to gather information from potential sources, that will include a description of the consultant/firm's qualifications, résumés of key personnel, past experience and proposed billing rates.

K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:

1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
3. A sole supplier's item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
5. The contract is awarded to a Small Business or to a NYS-certified MWBE firm for purchases not exceeding \$200,000, pursuant to Section 3.D.
6. The contract is for the purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, subject to the approvals stated in Section 3.D.

7. The contract is for the 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, subject to the approvals stated in Section 3.D.
 8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.
- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
- M. Subject to the Authority’s Expenditure Authorization Procedures (“EAPs”), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:
1. A threat to the health or safety of the public or Authority employees or workers.
 2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the head of the department will provide a written statement explaining the reasons therefor to the White Plains Procurement Department or the appropriate facility Procurement Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the Procurement Department.

- P. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.
- Q. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:
1. Pursuant to Article 11-B of the State Finance Law a “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property that is the subject of a governmental procurement. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.
 2. The “Restricted Period” is the period of time commencing with the earliest written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method for soliciting a response from bidders/contractors intending to result in a procurement contract with the Authority and ending with the final contract award.
 3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

- R. In furtherance of the Authority's commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority's Corporate Policy regarding this matter.
- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an individual at the Authority who has the power to exercise discretion or advises someone who exercises discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

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

In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains Procurement Department and/or the appropriate facility Procurement Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s)

or designee, to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.

- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.
- C. For Services Contracts (as defined in Section 2.C of these Guidelines), the technical merits of the proposals and the experience and capabilities of the bidders will be the primary factors in determining the individual or firm to be awarded the contract, provided that the price for performing such work is reasonable and competitive.
- D. For Procurement Contracts other than Personal Services (as defined in Section 2.C of these Guidelines), the award should generally be made to the lowest-priced firm submitting a proposal that meets the commercial and technical requirements of the bid documents.
- 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 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.

6. AWARD OF CONTRACT

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

- D. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions.
- E. When time constraints or emergency conditions require extending an existing contract with an initial duration of less than a year beyond a year, and the cumulative monetary change order value does not exceed the appropriate limit set forth in the EAPs, the Business Unit Head, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize extending such contract, subject to the Trustees ratifying such action as soon as practicable.
- F. When the total estimated contract value or the value of the extension exceeds the monetary limits set forth in the EAPs, interim approval by the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee is required, subject to the Trustees ratifying such action as soon as practicable.
- G. When time constraints or emergency conditions require immediate commencement of services to be performed for a period of more than one year, and when the contract value exceeds the monetary approval limit for the President and Chief Executive Officer or Chief Operating Officer or equivalent(s), as set forth in the EAPs, the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize in writing the commencement of such services. The initial compensation limitation may not exceed the authorization level for the President and Chief Executive Officer or equivalent(s) or Chief Operating Officer or equivalent(s) as set forth in the EAPs. Such contracts will be subject to the Trustees' approval, which will be solicited at their next scheduled Trustee meeting.
- H. The White Plains Procurement Department or the facilities' Procurement Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at

the Foreign Business Enterprise or acting on behalf of same who is principally responsible for the proposed Procurement Contract.

7. CONTRACT PROVISIONS

- A. The following standard forms of contracts are available from the White Plains Procurement 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 Procurement Department, which, along with the facilities' Procurement 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. 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)

- 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. 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; or

3. The originating Authority Business Unit determines in writing that the restrictions are not in the best interests of the Authority. Such originating Business Unit shall obtain the approval of the applicable Business Unit Head or equivalent(s), Vice President of Procurement or equivalent(s) or designee, Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) to waive this restriction on a case-by-case basis.

8. CHANGE ORDERS

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.M herein, that require the immediate performance of work by a firm already under contract;
 4. When rebidding would not be practical or in the best interests of the Authority's customers; and
 5. To meet the Authority's Supplier Diversity Program goals in accordance with Executive Law Article 15-A.
- 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 are eligible to be considered for employment as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their employment is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Commission on Public Integrity that such employment is permissible; and upon approval of the President and Chief Executive Officer.
- 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.
- 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 decision involving the payment of more than \$1,000: (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 his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

1. For purposes of this Section 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 Utilization Plan Form for MWBEs, where required, and 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. MWBE Utilization Plans for Construction contracts valued at more than \$100,000 shall also be posted on the Procurement website by the successful vendor within ten business days of contract signing.

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

1. Identify those areas or types of contracts for which MWBEs may best bid so as to promote and assist participation by such enterprises and facilitate a fair share of the awarding of contracts to such enterprises.
2. Provide notice, in addition to any other notice of procurement opportunities required by law, to professional and other organizations that serve MWBEs providing the types of services procured by the Authority.
3. Maintain lists of qualified NYS-certified MWBEs, including professional firms that have expressed an interest in doing business with the Authority and ensuring that such lists are updated regularly. The Authority shall also consult the lists of NYS-certified MWBEs maintained by the DED pursuant to Executive Law Article 15-A.

4. Establish appropriate goals for participation by MWBEs in procurement contracts awarded by the Authority and for the utilization of MWBEs as subcontractors and suppliers by entities having procurement contracts with the Authority. Statewide numerical participation target goals shall be established by the Authority based on the criteria set forth in Public Authorities Law § 2879.
5. Conduct procurements in a manner that will enable the Authority to achieve the maximum feasible portion of the goals established pursuant to Subdivision 4 of this Section and that eliminates barriers to participation by MWBEs in the Authority's procurements.
6. Designate one or more senior staff of the Authority to oversee the Authority's programs established to promote and assist participation by and utilization of NYS-certified MWBEs.

11. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

The White Plains Procurement Department maintains records of Procurement Contracts, including bidders' names, the selection processes used and the status of existing contracts, including goods provided and/or services performed and fees earned, billed and paid. At the facilities, such records will be kept by the facilities' Procurement Departments.

B. Procurement Report

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

1. A copy of the Guidelines;
2. An explanation of the Guidelines and any amendments thereto since the last annual report;
3. A list of all Procurement Contracts entered into since the last annual report, including all contracts entered into with New York State Business Enterprises and the subject matter and value thereof and all contracts entered into with Foreign Business Enterprises and the subject matter and value thereof;
4. A list of fees, commissions or other charges paid;
5. A description of work performed, the contract number, the date of the contract and its duration, the name, address and NYS-certified MWBE designation of the awardees, the total amount of the contract, the amount spent on the contract during the reporting period and for the term of the

- contract to date and the status of open Procurement Contracts during the report year;
 6. The type of contract (equipment, services, personal services or construction);
 7. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source or competitive search);
 8. The reasons why any procurements with a value equal to or greater than \$50,000 were not noticed in the Contract Reporter;
 9. The number of bids received and
 10. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.
- C. Such annual report, as approved by the Trustees, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, and copies thereof shall be distributed to the New York State Department of Audit and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual procurement report is posted on the Authority's website and copies shall be made available to the public upon reasonable written request therefor.
- D. State Finance Law §§ 139-j and 139-k
1. A statement describing the basis for a determination of a bidder's/contractor's non-responsibility (per State Finance Law §§ 139-j and 139-k only) and the Authority's decision not to award a bidder/contractor the Procurement Contract must be included in the procurement record.
 2. The Authority shall notify the New York State Office of General Services of bidders/contractors who have been determined to be non-responsible bidders (per State Finance Law §§ 139-j and 139-k only) or debarred due to violations of § 139-j of the State Finance Law.
 3. All forms entitled "Record of Contact" shall be included in the respective procurement record.
 4. A statement describing the basis for a termination of a Procurement Contract for providing an intentionally false certification must be included in the procurement record.
- E. The Authority may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the PAAA or other statutes regulating the procurement of goods and services, such as the Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

12. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS

- A. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended, nor should it be construed, to confer on any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
- B. Nothing contained in these Guidelines alters or affects the validity of, modifies the terms of or impairs any contract or agreement entered into in violation of these Guidelines.

GUIDELINES FOR 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, Article 15-A 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, 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 for energy with or without environmental attributes included, capacity, ancillary services, transmission, distribution or related services in support of providing service to Authority customers; contracts for differences; financial hedge contracts (including but not limited to swaps, calls, puts or swap options) and credit rating services. In addition, Non-Procurement Contracts include direct placement of advertisements with radio, television, print and electronic media, periodicals, subscriptions, reference materials or professional research tools, written materials, fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, funding agreements, co-funding agreements, grants or memberships in various industry groups, professional societies or similar cooperative associations, or any cooperative projects and procurement activities conducted or sponsored by such organizations in which the Authority participates.
- C. “Services Contracts” are Procurement Contracts for services of a consulting, professional or technical nature provided by outside consultants/contractors (individuals, partnerships or firms who are not and do not employ officers or employees of the Authority) for a fee or other compensation. Services Contracts comprise three specific types: Personal Services, Non-Personal Services and Construction. Personal Services include, but are not limited to: accounting, architectural, engineering, financial advisory, legal, public relations, planning,

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

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

- D. “Goods” include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as “Equipment,” where 60% or more of the total projected contract value will be for the purchase of equipment, material or supplies.
- E. “Evaluation of Proposals,” as further set forth in Section 4 below, includes as evaluating factors the Authority’s consideration of a bidder’s skill, judgment and business integrity.
- F. “Contact” is any oral, written or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the 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.
- H. “Minority- and Women-owned Business Enterprise” (“M/WBE”) 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” is a business that is resident 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 offerer over another that can supply the goods or services.
- K. “Sole Source” is a procurement in which only one offerer is capable of supplying the required goods or services.

3. **SOLICITATION REQUIREMENTS**

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Procurement Department, or the facilities’ Procurement 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 \$250,000 and a minimum of five providers and/or firms (if available) for purchases valued at \$250,000 and greater, commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance. Whenever possible and practicable, notification of the availability of an RFP and RFQ on the Authority’s Procurement website should be sent to more than five providers.
- B. Prospective bidders on Procurement Contracts may be prequalified by invitation. 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 (“M/WBEs”), the Authority will solicit offers from M/WBEs 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 definition of a NYS-certified M/WBE is in Section 2.H.

To foster increased use of M/WBEs, a single proposal may be sought, negotiated and accepted for purchases of goods and/or services not exceeding \$200,000, in the aggregate including all amendments, from a NYS-certified M/WBE that offers a reasonable price for such goods and/or services. The award of such proposal

requires the written approval of the Vice President of Procurement. Any subsequent alteration to the accepted proposal, including, but not limited to, change orders, amendments, or supplemental terms shall also necessitate the written approval of the Vice President of Procurement. Furthermore, the award of such procurement contracts will be noticed on the *Contract Reporter* website, as further set forth in Section 3.H.

- E. It is the policy of New York State to promote the participation of and maximize the opportunities for New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:
1. “New York State Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
 2. “New York State resident” is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
 3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.
 4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.

5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
 6. Pursuant to Public Authorities Law § 2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.
- F. 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 Procurement Department, or facility Procurement 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.
- G. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; milestone dates; the Authority’s Supplier Diversity Program 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 \$250,000, 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 \$150,000 (except for those contracts noted below), the Authority will, prior to soliciting proposals, submit the following information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, (www.nyscr.ny.gov) (unless such posting would serve no useful purpose): (1) the Authority’s name and address; (2) the solicitation number; (3) a brief description of the goods and/or services sought, the location where goods are to be delivered and/or services provided and the contract term; (4) the address where bids or proposals are to be submitted; (5) the due date for bids or proposals; (6) a description of any

eligibility or qualification requirements or preferences; (7) a statement as to whether the contract requirements may be fulfilled by a subcontracting, joint venture or coproduction arrangement; (8) any other information deemed useful to potential contractors; (9) the name, address, and phone number of the person to be contacted for additional information and (10) a statement as to whether the goods and/or services sought have, in the immediately preceding three-year period, been supplied by a Foreign Business Enterprise. Such information will be submitted to the DED Commissioner in accordance with the schedule set forth by the DED. The due date for bids or proposals will be a minimum of 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposal process, the Authority will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

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

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the Procurement 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 \$~~150~~,000 or more awarded on a sole source or single source basis, including such contracts not exceeding \$200,000 awarded to Small Businesses or NYS-certified M/~~W~~BE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for procurement contract bidding opportunities, in accordance with the afore-referenced law. Such notice shall specify the name of the awardee.

I. In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, the Service-Disabled Veteran-Owned Business ("SDVOB") Act was signed into law on May 12, 2014. The SDVOB program provides for eligible Veteran business owners to become certified as a New York State Service-Disabled Veteran-Owned Business. The Division of Service-Disabled Veterans' Business Development within the New York State Office of General Services ("OGS") is responsible for certifying eligible SDVOBs, assisting agencies and authorities in complying with the law, and promoting SDVOB participation in the state's procurement activities. The program is in development; the Authority has been selected to participate in a pilot SDVOB program and is complying with OGS-promulgated procedures and requirements.

I.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 Procurement Department or the appropriate facility Procurement 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.

I.K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:

1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
3. A sole supplier's item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
5. The contract is awarded to a Small Business or to a NYS-certified M/WBE firm for purchases not exceeding \$200,000, pursuant to Section 3.D.
6. The contract is for the purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, subject to the approvals stated in Section 3.D.

7. The contract is for the 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, subject to the approvals stated in Section 3.D.
8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.

~~K.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.

~~L.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.

~~M.N.~~ Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the head of the department will provide a written statement explaining the reasons therefor to the White Plains Procurement Department or the appropriate facility Procurement Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.

~~N.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 Procurement Department.

~~Θ.P.~~ In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.

~~P.Q.~~ It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:

1. Pursuant to Article 11-B of the State Finance Law a “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property that is the subject of a governmental procurement. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.
2. The “Restricted Period” is the period of time commencing with the earliest written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method for soliciting a response from bidders/contractors intending to result in a procurement contract with the Authority and ending with the final contract award.
3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

~~Q.R.~~ In furtherance of the Authority's commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority's Corporate Policy regarding this matter.

~~R.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 individual at the Authority who has the power to exercise discretion or advises someone who exercises discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

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

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

- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.
- C. For Services Contracts (as defined in Section 2.C of these Guidelines), the technical merits of the proposals and the experience and capabilities of the bidders will be the primary factors in determining the individual or firm to be awarded the contract, provided that the price for performing such work is reasonable and competitive.
- D. For Procurement Contracts other than Personal Services (as defined in Section 2.C of these Guidelines), the award should generally be made to the lowest-priced firm submitting a proposal that meets the commercial and technical requirements of the bid documents.

- E. Pursuant to § 139-k of the State Finance Law, the Authority shall not award a Procurement Contract (as defined in Subsection 3.PQ.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 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.

6. **AWARD OF CONTRACT**

- A. Services Contracts to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12 months are approved by authorized designees in accordance with existing EAPs. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services, that has previously been approved by the Trustees, for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by an authorized designee in accordance with existing EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts to be performed for a period of more than 12 months that must be awarded prior to the next quarterly Trustees' meeting, the initial contract will be issued for the entire intended term of the contract. Based on its total term and value, such contract must be approved in writing by the appropriate management as set forth in the EAPs. Such contract is subject to the Trustees' approval, at the next quarterly Trustees' meeting. If such approval is not granted, the contract will be terminated immediately.
- C. A contract or contract task is deemed to be for services in excess of 12 months where the contract does not specify a definite term and the work will not be completed within 12 months, and any "continuing services" contract with no fixed term that provides for the periodic assignment of specific tasks or particular requests for services. This includes Trustee-approved contracts for architect/

engineering services with the original engineers of operating facilities, as well as the original supplier of steam supply systems or boilers and turbine generating equipment. Each task authorized under such contracts (which may be referred to as a “Change Order,” “Purchase Order” or “Task Number”) is considered a separate commitment and must be separately approved in accordance with the EAPs.

- D. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions.
- E. When time constraints or emergency conditions require extending an existing contract with an initial duration of less than a year beyond a year, and the cumulative monetary change order value does not exceed the appropriate limit set forth in the EAPs, the Business Unit Head, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize extending such contract, subject to the Trustees ratifying such action as soon as practicable.
- F. When the total estimated contract value or the value of the extension exceeds the monetary limits set forth in the EAPs, interim approval by the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee is required, subject to the Trustees ratifying such action as soon as practicable.
- G. When time constraints or emergency conditions require immediate commencement of services to be performed for a period of more than one year, and when the contract value exceeds the monetary approval limit for the President and Chief Executive Officer or Chief Operating Officer or equivalent(s), as set forth in the EAPs, the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize in writing the commencement of such services. The initial compensation limitation may not exceed the authorization level for the President and Chief Executive Officer or equivalent(s) or Chief Operating Officer or equivalent(s) as set forth in the EAPs. Such contracts will be subject to the Trustees’ approval, which will be solicited at their next scheduled Trustee meeting.
- H. The White Plains Procurement Department or the facilities’ Procurement Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder

therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at the Foreign Business Enterprise or acting on behalf of same who is principally responsible for the proposed Procurement Contract.

7. CONTRACT PROVISIONS

- A. The following standard forms of contracts are available from the White Plains Procurement 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 Procurement Department, which, along with the facilities' Procurement 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. 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 (M/WBE) 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)

- 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. 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; or
3. The originating Authority Business Unit determines in writing that the restrictions are not in the best interests of the Authority. Such originating Business Unit shall obtain the approval of the applicable Business Unit Head or equivalent(s), Vice President of Procurement or equivalent(s) or designee, Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) to waive this restriction on a case-by-case basis.

8. **CHANGE ORDERS**

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.~~LM~~ 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 Program goals in accordance with Executive Law Article 15-A.
- 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. ~~Accordingly, unless the Change Order is considered an "exempt contract amendment," no such Change Orders will be processed or~~

~~approved unless the proposed procurement of goods and/or services was contemplated or provided for in the original Request for Quotation / Proposal.~~

9. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES

- A. Former Authority officers and employees are eligible to be considered for employment as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their employment is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Commission on Public Integrity that such employment is permissible; and upon approval of the President and Chief Executive Officer.
- 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.
- 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 decision involving the payment of more than \$1,000: (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 his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
1. For purposes of this Section 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 M/WBEs. 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 M/WBEs 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 M/WBE is included in Section 2.H of these Guidelines. The Authority aims to solicit proposals from NYS-certified M/WBEs 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 M/WBEs as required by law. Bidders’ proposals will include ~~Preliminary Subcontracting Plans~~ a completed Utilization Plan Form for M/WBEs, where required, and 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. MWBE Utilization Plans for Construction contracts valued at more than \$100,000 shall also be posted on the Procurement website by the successful vendor within ten business days of contract signing.

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

1. Identify those areas or types of contracts for which M/WBEs 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 M/WBEs providing the types of services procured by the Authority.

3. Maintain lists of qualified NYS-certified M/WBEs, 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 M/WBEs maintained by the DED pursuant to Executive Law Article 15-A.
4. Establish appropriate goals for participation by M/WBEs in procurement contracts awarded by the Authority and for the utilization of M/WBEs 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 M/WBEs 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 M/WBEs.

11. **PROCUREMENT RECORD AND REPORTING**

A. **Procurement Record**

The White Plains Procurement Department maintains records of Procurement Contracts, including bidders' names, the selection processes used and the status of existing contracts, including goods provided and/or services performed and fees earned, billed and paid. At the facilities, such records will be kept by the facilities' Procurement Departments.

B. **Procurement Report**

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

1. A copy of the Guidelines;
2. An explanation of the Guidelines and any amendments thereto since the last annual report;
3. A list of all Procurement Contracts entered into since the last annual report, including all contracts entered into with New York State Business Enterprises and the subject matter and value thereof and all contracts entered into with Foreign Business Enterprises and the subject matter and value thereof;
4. A list of fees, commissions or other charges paid;
5. A description of work performed, the contract number, the date of the contract and its duration, the name, address and NYS-certified M/WBE

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 \$150,000 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”).

12. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS

- A. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended, nor should it be construed, to confer on any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
- B. Nothing contained in these Guidelines alters or affects the validity of, modifies the terms of or impairs any contract or agreement entered into in violation of these Guidelines.

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

PERSONAL PROPERTY

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

I. PURPOSE

These Guidelines and Procedures for the Disposal of Personal Property (hereinafter “Guidelines”), which comply with Title 5-A, Article 9 of the Public Authorities Law, establish the procedures that detail 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 with a value in excess of \$5,000, 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, personal property may include, but is not limited to, materials, tools, equipment, or vehicles.
- D. "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair Market Value may be determined by consulting industry-recognized sources, contacting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.
- E. "Relative" is defined in Subsection X.G.1 of these Guidelines.

III. OBJECTIVE

The objective of these Guidelines is to identify those Authority personnel responsible for authorizing the disposal of Property owned by the Authority and to ensure that the Authority receives fair and reasonable value for such Property. The transfer or sale of Property shall be accounted for in accordance with the Authority's Corporate Accounting Policy No. CAP 4.3 dated 7/27/11, Revision 3 -- "Accounting for Materials and Supplies Inventory," and any revisions thereto.

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.

V. DESIGNATION OF PROPERTY DISPOSAL COORDINATORS

- A. The Contracting Officer shall be responsible for the Authority's compliance with, and enforcement of, the Guidelines.
- B. The individual responsible for disposal of all Property at the Authority's facilities will be the Director – Site Purchasing & Materials Management (“DSP&MM”). For purposes of Property disposal, the DSP&MM reports directly to the Contracting Officer or authorized designee.
- C. The Manager - Purchasing/Warehouse from each facility will be the local Property Disposal Coordinator for his or her facility or location ("Facility PDC"). The Facility PDC reports to the DSP&MM.
- D. The Contracting Officer or authorized designee will designate one or more individuals from the White Plains Office Procurement Division to be the Property Disposal Coordinator(s) for the White Plains, Albany and New York 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 Senior 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&MM 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 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. PROCEDURES FOR 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, well-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 is greater than \$5,000 but 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 this procedure and by the Bid Due Date included in the solicitation;
 - c. all bids shall be publicly disclosed, at the time and place stated in the solicitation or by posting to the Authority’s internet website; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is most advantageous to the Authority, price and other factors

considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.

4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
 - a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 3 of this Section, would adversely affect the state or local market for such Property, and the estimated Fair Market Value of such Property and other satisfactory terms of disposal may be obtained by negotiation;
 - b. bid prices after advertising therefore are not reasonable, either as to all or part of the Property, or have not been independently arrived at in open competition;
 - c. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Property and other satisfactory terms of Disposal are obtained by negotiation;
 - d. under those circumstances permitted by Subsection 6 of this Section;
 - e. if the estimated or actual fair market value of the property does not exceed \$15,000; or
 - f. such action is otherwise authorized by law.

5. An explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property which has an estimated Fair Market Value in excess of fifteen thousand dollars (\$15,000). In addition, an explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property disposed of by exchange, regardless of value. Each such statement shall be transmitted to the Commissioner of General Services, the State Legislature, the State Comptroller, the Director of the Division of the Budget and the Authorities Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.
6. a. No Property owned or otherwise in the control of the Authority may be disposed or otherwise alienated for less than its Fair Market Value except if:
 - (i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any other public entity;
 - (ii) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
 - (iii) in the event the Authority seeks to transfer Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the

Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and if the

transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

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

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Property is situated as are required by the transfer;
- (iv) a statement of the value to be received compared to the Fair Market Value;
- (v) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph (iv) of this Subsection, a statement of the value to the private party; and

- (vi) the names of other private parties who have made an offer for such Property, the value offered and the purpose for which the Property was sought to be used.
- c. Before approving the Disposal of any Property for less than Fair Market Value, the Board of Trustees shall consider the information described in paragraph b of this Subsection and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.
- 7. In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

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

The appropriate PDC shall confer with the DSP&MM 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 surplus, 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&MM 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&MM 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 the procedures described in Article VI.

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), as hereinafter defined in Article XI, that such bid be accepted, and upon the written approval of the Responsible Officer(s), 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.
- C. If either (a) the responsible PDC determines that the highest bid is not reasonable or (b) the Responsible Officer(s) 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), with the review and approval of the Contracting Officer, may direct the sale of the Property to the person or firm submitting the highest bid.

- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

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

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

A. For the purposes of these Guidelines, the Responsible Officer(s) 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 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 \$500,000; or
4. For Fleet-related transactions, the Senior Vice President – Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000; or
5. The Vice President – Procurement or equivalent(s), if the Fair Market Value of the Property is up to \$250,000; or
6. The DSP&MM, if the Fair Market Value of the Property is up to

\$50,000; or

7. The responsible PDC, with the prior written approval of either the DSP&MM or the Contracting Officer or authorized designee, as appropriate, 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&MM 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&MM may sign both fleet and non-fleet sales agreements.
- C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority’s Expenditure Authorization Procedures – Attachment C.
- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority’s Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

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

B. Return to the Original Equipment Manufacturer ("OEM") or to the Source

For Property with a Fair Market Value of \$15,000 or less, return of materials to the OEM or the source is permissible provided that the Authority receives full value for any materials equal to the price paid by the Authority or the estimated Fair Market Value of the Property. In the event a re-stocking fee is charged by the OEM or the source, the DSP&MM 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&MM 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 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 and Procedures for the Disposal of Real Property."
- B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.
- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.

- D. For disposal by negotiation of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of personal property and real property.
- F. The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

BID SHEET

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

LUMP SUM BID AMOUNT* \$ _____

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

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

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

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

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

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

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

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

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

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

ADVERTISEMENT FOR PROPOSALS

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

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

**PERSONAL PROPERTY
SALES AGREEMENT**

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

- 1) The personal property identified herein is sold by the Authority and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) **THE AUTHORITY DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
- 3) The Bidder 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. Bidder 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 Bidder 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 Bidder of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the Authority and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the Authority and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.
- 5) Except for disposals by public auction, the Buyer shall remove the personal property from the Authority's premises by _____ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York Power Authority.

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

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

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

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

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

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

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

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

PERSONAL PROPERTY

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

I. PURPOSE

These Guidelines and Procedures for the Disposal of Personal Property (hereinafter “Guidelines”), which comply with Title 5-A, Article 9 of the Public Authorities Law, establish the procedures that detail 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 with a value in excess of \$5,000, 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, personal property may include, but is not limited to, materials, tools, equipment, or vehicles.
- D. "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair Market Value may be determined by consulting industry-recognized sources, contacting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.
- E. "Relative" is defined in Subsection X.G.1 of these Guidelines.

III. **OBJECTIVE**

The objective of these Guidelines is to identify those Authority personnel responsible for authorizing the disposal of Property owned by the Authority and to ensure that the Authority receives fair and reasonable value for such Property. The transfer or sale of Property shall be accounted for in accordance with the Authority's Corporate Accounting Policy No. CAP 4.3 dated 7/27/11, Revision 3 -- "Accounting for Materials and Supplies Inventory-," and any revisions thereto.

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.

V. **DESIGNATION OF PROPERTY DISPOSAL COORDINATORS**

- A. The Contracting Officer shall be responsible for the Authority's compliance with, and enforcement of, the Guidelines.
- B. The individual responsible for disposal of all Property at the Authority's facilities will be the Director – Site Purchasing & Materials Management (“DSP&MM”). For purposes of Property disposal, the DSP&MM reports directly to the Contracting Officer or authorized designee.
- C. The Manager - Purchasing/Warehouse from each facility will be the local Property Disposal Coordinator for his or her facility or location ("Facility PDC"). The Facility PDC reports to the DSP&MM.
- D. The Contracting Officer or authorized designee will designate one or more individuals from the White Plains Office Procurement Division to be the Property Disposal Coordinator(s) for the White Plains, Albany and New York 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 Senior 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&MM 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 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. PROCEDURES FOR 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, well-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 is greater than \$5,000 but 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 this procedure and by the Bid Due Date included in the solicitation;
 - c. all bids shall be publicly disclosed, at the time and place stated in the solicitation or by posting to the Authority’s internet website; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is most advantageous to the Authority, price and other factors

considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.

4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
 - a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 3 of this Section, would adversely affect the state or local market for such Property, and the estimated Fair Market Value of such Property and other satisfactory terms of disposal may be obtained by negotiation;
 - b. bid prices after advertising therefore are not reasonable, either as to all or part of the Property, or have not been independently arrived at in open competition;
 - c. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Property and other satisfactory terms of Disposal are obtained by negotiation;
 - d. under those circumstances permitted by Subsection 6 of this Section;
 - e. if the estimated or actual fair market value of the property does not exceed \$15,000; or
 - f. such action is otherwise authorized by law.

5. An explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property which has an estimated Fair Market Value in excess of fifteen thousand dollars (\$15,000). In addition, an explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property disposed of by exchange, regardless of value. Each such statement shall be transmitted to the Commissioner of General Services, the State Legislature, the State Comptroller, the Director of the Division of the Budget and the Authorities Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.
6. a. No Property owned or otherwise in the control of the Authority may be disposed or otherwise alienated for less than its Fair Market Value except if:
- (i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any other public entity;
 - (ii) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
 - (iii) in the event the Authority seeks to transfer Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the

Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and if the

transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

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

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Property is situated as are required by the transfer;
- (iv) a statement of the value to be received compared to the Fair Market Value;
- (v) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph (iv) of this Subsection, a statement of the value to the private party; and

(vi) the names of other private parties who have made an offer for such Property, the value offered and the purpose for which the Property was sought to be used.

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

7. In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

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

The appropriate PDC shall confer with the DSP&MM 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 surplus, 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&MM 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&MM 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 the procedures described in Article VI.

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), as hereinafter defined in Article XI, that such bid be accepted, and upon the written approval of the Responsible Officer(s), 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.
- C. If either (a) the responsible PDC determines that the highest bid is not reasonable or (b) the Responsible Officer(s) 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), with the review and approval of the Contracting Officer, may direct the sale of the Property to the person or firm submitting the highest bid.

- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

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

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

- A. For the purposes of these Guidelines, the Responsible Officer(s) 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 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 \$500,000; or
4. For Fleet-related transactions, the Senior Vice President – Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000; or
5. The Vice President – Procurement or equivalent(s), if the Fair Market Value of the Property is up to \$250,000; or
6. The DSP&MM, if the Fair Market Value of the Property is up to

\$50,000; or

7. The responsible PDC, with the prior written approval of either the DSP&MM or the Contracting Officer or authorized designee, as appropriate, 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&MM 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&MM may sign both fleet and non-fleet sales agreements.
- C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority’s Expenditure Authorization Procedures – Attachment C.
- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority’s Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

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

B. Return to the Original Equipment Manufacturer ("OEM") or to the Source

For Property with a Fair Market Value of \$15,000 or less, return of materials to the OEM or the source is permissible provided that the Authority receives full value for any materials equal to the price paid by the Authority or the estimated Fair Market Value of the Property. In the event a re-stocking fee is charged by the OEM or the source, the DSP&MM 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&MM 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 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 and Procedures for the Disposal of Real Property."
- B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.
- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.

- D. For disposal by negotiation of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of personal property and real property.
- F. The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

BID SHEET

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

LUMP SUM BID AMOUNT* \$ _____

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

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

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

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

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

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

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

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

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

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

ADVERTISEMENT FOR PROPOSALS

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

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

**PERSONAL PROPERTY
SALES AGREEMENT**

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

- 1) The personal property identified herein is sold by the Authority and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) **THE AUTHORITY DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
- 3) The Bidder 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. Bidder 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 Bidder 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 Bidder of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the Authority and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the Authority and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.
- 5) Except for disposals by public auction, the Buyer shall remove the personal property from the Authority's premises by _____ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York Power Authority.

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

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

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

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

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

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

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

GUIDELINES

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 – Procurement, 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 Accountability Act (“PAAA”) 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 PAAA.
- 3.4 Prepare annual reports of Real Property Disposal transactions.

IV. DUTIES OF THE DIRECTOR OF REAL ESTATE

- 4.1 The Director of 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 Director of 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 Director of 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 Director of 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 PAAA 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 PAAA. 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 PAAA 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 PAAA.
- 5.7 The Director of 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.

VI. AUTHORITY REAL PROPERTY REPORTS

- 6.1 The Director of 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 Director of 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 Director of 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 PAAA 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 Business Services – Real Estate 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

INDEX

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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 - Procurement, 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 Accountability Act (“PAAA”).

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 DIRECTOR OF REAL ESTATE

- 4.1 The Director of 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 Director of 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 Director of 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 Director of 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.

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 Director of 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 Director of 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 PAAA 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 Business Services – Real Estate or the equivalent may, upon request, prepare and present ongoing reports regarding the Acquisition of Real Property.

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Policy Title: **RECRUITMENT AND JOB POSTING**

Policy Number: EP 1.2

Revision Date 12/1/2014

Approved By: Rocco Iannarelli
Acting Senior Vice-President, Enterprised Shared Services

Executive Owner: Barbara Coles
Director, Recruiting

Content Owner: Barbara Coles
Director, Recruiting

When applicable, the Content Owner partners with the attorney assigned to his/her department/workgroup to write and review the policy.

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Revision Date	Revision	Description/Modification	Author
12/01/2014	0	Converting to new format. There were 11 prior revisions of this Policy	Barbara Coles

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1 PURPOSE AND SCOPE

The goal of the job posting policy is to ensure that employees are made aware of and have the opportunity to apply for open Full-time, Part-time and Provisional salaried positions either before or concurrent with the Authority's consideration of external candidates for employment. However, there may be exceptions to this process, for example, if a qualified internal candidate or temporary employee from the hiring department or Business Unit has been identified. Under such circumstances, authorization must be obtained in writing from the Senior Vice President of Enterprise Shared Services or his/her designee, and the President and CEO.

2 APPLICABILITY

- 2.1 The job posting program makes information available to Authority employees, regarding Full-time, Part-time and Provisional salaried openings throughout the organization, including the requirements for each job.
- 2.2 The New York Power Authority considers all internal (with the exception of current members of the Board of Trustees) and external applicants for employment, in accordance with all applicable Federal, State and local laws governing non-discrimination in employment in every location in which it maintains offices or facilities. The Authority also provides reasonable accommodation to individuals with a disability in accordance with applicable law.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Relatives - Refers to spouse, domestic partner, parents, children, sisters, brothers, sisters-in-law, brothers-in-law, parents-in-law, sons/daughters-in-law, aunts, uncles, nieces, nephews, cousins, and grandparents by blood relationship or by marriage or family members residing in the same household.

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Job Posting

- 5.1.1 To be eligible to apply for a posted position an applicant must:
 - a) Meet the position requirements and qualifications stated in the Posting
 - b) Be capable of performing the essential functions of the job, with or

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without reasonable accommodation;

- c) Have a job performance that is acceptable within the guidelines of the Authority's prevailing performance management system;
- d) Have been in their current position for at least 12 months.

5.1.2 Salaried vacancies below the senior management level are generally posted on the *Powernet* and the Authority's website (www.nypa.gov). If a qualified internal candidate or temporary employee from the hiring department or Business Unit has been identified, an exception may be made with the approval of the Senior Vice President of Enterprise Shared Services, or his/her designee, and the President and CEO.

5.1.3 Salaried positions covered under this policy, which are not expected to be filled within the work group, department or Business Unit, will be posted on the *Powernet* and the Authority's website for at least ten working days, however, external recruitment efforts may commence simultaneous with the posting.

5.1.4 All members of the Board of Trustees are prohibited from seeking paid employment at NYPA while serving on the Board of Trustees. All trustees shall sign a certification acknowledging their understanding and commitment to follow this requirement.

5.1.5 Offers of employment are contingent upon successful completion of pre-employment requirements, which include a comprehensive background investigation for all potential new hires and possible other candidate screening (i.e., aptitude test, drug screening, etc.) as the Authority deems appropriate.

5.1.6 Within three business days of employment, new employees must prove identity and eligibility to work in the United States by providing original documents established as criteria by the Immigration and Reform Control Act to their HR representative. If an employee is unable to present the required documents within the 3 business days, they may not work or continue rendering services to the Authority.

5.2 Internal Job Application Process

5.2.1 During the posting period, interested employees can apply via the *Powernet*.

5.2.2 If an employee interviews for a position at another NYPA location, he/she may be

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eligible for reimbursement for travel related expenses. If offered, and the employee accepts the position, he/she may be eligible for reimbursement of certain relocation costs. Employees should discuss these issues and options with their HR representative during the interview process.

- 5.2.3 Employees are encouraged to notify their supervisor when they are selected for an interview. However, employees are not expected to disclose that they are applying for a position if they are not selected for an interview. Employees being considered for a position should expect hiring managers to request and review performance information and evaluations while making a hiring decision and consult with an internal applicant's current supervisor.
- 5.2.4 Applying for an internal position does not guarantee an interview. Hiring managers will strive to interview those with the experience and qualifications that most closely match the requirements of the position. Internal candidates who are not selected will be notified.
- 5.2.5 Position transfer dates are determined in consultation with current supervisors. The business unit heads along with the managers of both the vacating and receiving departments must agree on a transfer date to ensure that such transfer occurs within four weeks after an offer has been accepted. The status of current work assignments and available back-up resources will be taken into consideration when determining the transfer date.
- 5.2.6 All changes in pay will be consistent with the guidelines established by the Compensation Program. The salary offered for the new position will be determined primarily based on the employee's qualifications for the new position and internal equity within the department or work group. Employees may choose to accept or decline offers without negative repercussions in their current position.
- 5.2.7 Special conditions may arise when an exception to this policy is appropriate. Under such circumstances, authorization must be obtained from the Senior Vice President of Enterprise Shared Services or his/her designee.

5.3 Employment of Employee Relatives

5.3.1 Disclosure of relationships required as follows:

- a) Individuals seeking employment with the Authority must inform the

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Authority's HR Representative, in writing, if they have a relative (as that term is defined below in 5.3.3) currently working at the Authority when applying for employment. The applicant must disclose the name of the relative, the familial relationship, title or position held by the employee, as well as the site or location at which the relative works.

- b) Employees must inform their supervisor and the Vice President and Chief Ethics & Compliance Officer when a relative (as that term is defined below in 5.3.3) is transferred, demoted or promoted to a position where either the relative or the employee will have personnel decision related responsibilities, or supervisory responsibilities over their relative. The employee must disclose the name of the relative, the familial relationship, title and position held by the employee, as well as the site or location at which the relative works.
- c) Employees must inform their supervisor and the Vice President and Chief Ethics & Compliance Officer when another employee becomes their relative (as that term is defined below in 5.3.3) and where either person will have personnel decision related responsibilities, or supervisory responsibilities over the other person. In such instances, both employees must disclose the name of the relative, the familial relationship, title and position, as well as the site or location at which they work.

5.3.2 Employees and trustees may not take part in any hiring or employment decision relating to their relatives. Relatives of active employees or trustees will not be employed on a permanent or temporary basis unless authorization is approved by the Senior Vice President of Enterprise Shared Services, or his/her designee, and the President and CEO. Such authorization may be granted under circumstances where the candidate is the most qualified for the position. The circumstances for which an authorization is sought must be in writing.

5.3.3 The Authority will not consider employment applications, promotions or transfers for individuals whose employment, promotion or transfer would result in a supervisory relationship between them and a relative (as defined in 5.3.3) or one where a conflict of interest may exist or later arise. Exceptions to these guidelines require authorization of the Senior Vice President of Enterprise Shared Services, or his/her designee, as well as the Vice President and Chief Ethics & Compliance Officer. Any such request must be in writing.

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- 5.3.4 If current employees become relatives after starting employment with the Authority, then such relatives must not be in a direct line of supervision or have any personnel related responsibilities that could affect each other. In the event this occurs, the Authority may transfer the employee or take any other employment action necessary to eliminate the conflict of interest. Any questions concerning such change in status should be directed to the Authority's Vice President and Chief Ethics & Compliance Officer.

5.4 Prohibition against Consideration of Politics in Employment

- 5.4.1 The Authority expressly prohibits employees involved in recruiting, interviewing or hiring or making promotional, disciplinary or other employment decisions relating to NYPA employees, from asking any such applicant or employee to reveal: (a) the political party affiliation of the applicant; (b) whether the applicant has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the candidate voted for any elected official or candidate for elective office.
- 5.4.2 The provisions of paragraph 5.4.1 shall not apply to circumstances where such inquiry is necessary for the proper application of State law or approved state authority or New York State public authority rules, policies or practices (e.g., inquiring about party affiliation where State law limits the number of members of a State board who can be from the same party).

6 PENALTIES

Any employee who knowingly violates the provisions of this Policy will be subject to appropriate disciplinary action up to and including termination.

7 REFERENCES

N/A

8 POLICY REVIEW AND EXPIRATION

This policy will be reviewed on December 1, 2015

9 ATTACHMENTS

N/A

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Policy Title:

Recruitment and Job Posting

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Acting Senior Vice-President, Enterprise Shared Services

1/6/15
Date

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NEW YORK POWER AUTHORITY

EP: 1.9

REVISION: 4

EMPLOYEE POLICY

DATE: 3/29/2012

PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT, WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

TRANSFER OR RE-EMPLOYMENT IN PUBLIC SERVICE

Employees Leaving Employment with the Authority

- 1.1 Employees of the Power Authority of the State of New York ("Authority") who leave the Authority, or within one year of termination of employment with the Authority, are employed with the State of New York, (Executive, Legislative, or Judicial branch), a civil division thereof, or another New York State public benefit corporation, may, if they so elect, transfer accruals and retain the anniversary date of their employment with the Authority for all purposes including employee eligibility for benefits in their new employment with the State of New York, a civil division thereof, or another New York State public benefit corporation consistent with agreements made between the Authority and state or municipal civil service commissions or other New York State public authorities.
- 1.2 "Civil division": - for the purpose of administering this policy a civil division shall be a city, county, town or village that participates in the New York State and Local Retirement Systems. A civil division shall not include a school district.

New Employees

- 2.1 Without regard to their date of first employment with the Authority, employees who leave the employment of the State of New York (Executive, Legislative, or Judicial branch), a civil division thereof, or another New York State public benefit corporation and who are employed or rehired by the Authority within one year of termination, shall be entitled to transfer accruals and retain the anniversary date of their employment with the State of New York, a civil division thereof, or another New York State public benefit corporation as their anniversary date with this Authority for all purposes including the employees' eligibility for all benefits in their new employment with this Authority.
- 2.2 "Civil division" – see 1.2 above.

Transition

- 3.1 Employees of the Authority who have prior employment that may qualify as Authority employment under this policy shall be given a reasonable period to make application for such an adjustment in their date of employment with the Authority and retrospective adjustment of benefits shall be made where applications are approved.
- 3.2 The terms of this policy shall not be implemented with respect to bargaining unit personnel in the absence of collective negotiations.

NEW YORK POWER AUTHORITY

EP: 1.9

REVISION: 4


EMPLOYEE POLICY

DATE: 3/29/2012

Benefits in Retirement

4.1 In order to continue benefits in retirement, both of the following conditions must be met:

- a) You must have 10 years of combined service with the Authority and New York State. At least five years of service must be with the Authority unless you are covered under this policy (refer to section 2.1), in which case, a minimum of three years of NYPA service is required. Employees with a Section 211 or 212 exemption must have 10 years of NYPA service; and
- b) You terminate employment with the Authority and immediately collect a pension from the New York State and Local Retirement Systems.


Vice President, Human Resources

3/29/12
Date

NEW YORK POWER AUTHORITY

EP: 2.1

EMPLOYEE POLICY

REVISION: 17

DATE: 03/1/2014

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SALARY ADMINISTRATION POLICY

- 1.1 This policy governs the administration of salary for all full-time, part-time and provisional exempt and non-exempt Authority employees, as defined in the Salaried Employees' Eligibility for Benefits policy (EP: 3.1).
- 1.2 This policy describes the New York Power Authority's competitive pay program and provides guidelines in which to recognize and reward different degrees of performance through salary changes within budget limits.
- 1.3 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 Vice President, Human Resources, the SVP Enterprise Shared Services, and the President and CEO or his/her designee. All requests require a summary of the reason for selection, change in role and responsibilities, succession planning actions and/or relevant information justifying the action. Any action affecting the hiring or promotion of Vice Presidents or higher also requires notification to the Governance Committee.
- 1.4 In addition to section 1.3, any salary action varying from the guidelines of this policy is considered an exception and requires documentation, justification and majority approval from the Compensation Committee and the President and CEO. The justification must be a detailed explanation for the exception request (e.g., to bring the employee to the minimum of the grade range). Requests that are insufficient will be returned for further justification.
 - 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, excluding the Business Unit Head directly involved in the request and the Senior Vice President Enterprise Shared Services.
- 1.5 The Trustees and the Governance Committee will receive a quarterly report of all salary actions implemented in the prior quarter.
- 1.6 Under the Fair Labor Standards Act, the Authority pays exempt employees on a salary basis and does not intend to make any deductions from these salaries which are prohibited. Any employee who believes an improper deduction may have occurred should raise the issue and bring supporting documentation, if any, to the attention of the Payroll department as soon as practicable after the deduction occurs. Payroll will then work with the Human Resources Compensation group and should it be determined that an improper deduction in fact occurred, the employee will be reimbursed for that amount. Complaints may also be communicated via the Employee Concerns Line [1-877-TEL-NYPA]

Annual Merit Increase

- 2.1 Annual Merit increases are intended to provide recognition and reward for performance within the parameters of the Authority's annual salary budget. However, neither an annual salary budget nor an annual Performance Plus assessment is a guarantee that a salary adjustment will occur.
- 2.2 An employee's Performance Plus 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.
- 2.3 Eligibility:
- a) Only employees who receive a Performance Plus rating of Partially Achieved Expectations or better (see Performance Plus Instructions on the PowerNet for ratings definitions), are eligible for an Annual Merit increase.
 - b) No Annual Merit increase will be given to employees who earn a Performance Plus rating of Did Not Meet Expectations.
 - c) New employees hired within six months prior to the Annual Merit increase effective date will not be eligible for the increase.
- 2.4 Timing:
- a) Annual Merit increases will generally be effective in the third quarter.. In the case of employees on leaves of absence, the effective date of increases may be adjusted (see section 2.6).
- 2.5 General Guidelines:
- a) Base salaries of employees who earn a Performance Plus rating of Achieved Expectations or Partially Achieved 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 for an exception must have appropriate approvals as specified in section 1.4. If the maximum of the grade range is exceeded by the recommended salary increase, then the portion in excess of the maximum will be granted in the form of a 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 Plus rating of Exceeds Expectations may exceed the maximum of the grade range by 4%. If the recommended salary increase exceeds 4% above maximum, then the portion in excess of the maximum will be granted in the form of a lump sum payment which does not become part of base pay and must be re-earned each year.

If an employee is under the minimum of the grade range for his/her job and has a performance plus rating of Achieved Expectations or better, an adjustment to minimum will be given prior to the Merit increase.

2.6 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) Annual Salary Increase, if
- 1) leave is less than 3 months — If the Merit increase falls during an approved **paid leave** of less than three months, the Merit increase will be effective as of the common Merit Increase date. If on approved **leave with no pay** as of the common Merit Increase date, the Merit Increase will become effective on the day the employee returns to work or returns to paid status. The amount of the increase will not be affected by the leave.
 - 2) leave is 3 months or longer - If the Merit Increase falls during an approved leave of three months or more, the Merit Increase will be effective on the date the employee returns to work, unless proscribed by any other policy, state or federal law. The amount of the increase will not be affected by the leave.

Promotional Increases

- 3.1 A promotion is defined as the assignment of an employee to a job of one or more grades higher than the employee's current job and may be accompanied by an increase in salary.

3.2 Types of Promotions:

- a) Competency Based: Competencies are essential knowledge, skills, and abilities required by the Authority and which equip an individual to perform a certain level of work. Competency-based promotions are permitted for employees for which specific

competency definitions have been developed and achieved.

- b) Re-evaluated position: when there is a change in work or reorganization resulting in a job having expanded responsibilities and increased level of competency, a market 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, Re-evaluation of Job Content).
- c) Organizational Promotion (backfill or new role): acknowledges that an employee has been 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.

- 3.3 A promotion may include an increase in salary of up to 10%. This increase should place the employee's salary in the grade range of the new position. The new salary, however, is limited to a compa-ratio of 112% of the new range for individual contributor and supervisor categories. For jobs classified as Manager/Director, VP or above, the promotional salary is limited to the midpoint (100% compa-ratio) of the range.
- 3.4 When a 10% maximum promotional increase does not bring the employee's salary to the minimum of the new grade range, the employee may receive an additional salary increase with approval of the Compensation Committee (see section 1.4)

Market / Equity Adjustments

- 4.1 Upon the recommendation of the Human Resources Compensation group, an adjustment to base salary may be permitted to achieve internal and/or market equity.
- 4.2 Only employees who earn a Performance Plus rating of Achieved Expectations or better are eligible for a market adjustment.

Re-evaluation of Job Content

- 5.1 Each Business Unit head, or their designee, is responsible for ensuring that salaried jobs in their organization have accurate and up-to-date descriptions. Substantive changes in the primary responsibilities, scope and/or minimum qualifications must be communicated to the Human Resources 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.

- 5.2 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.
- 5.3 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 3.2 (b).
- 5.4 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.

Lateral Transfer

- 6.1 A lateral transfer occurs when an employee moves from one job to another which has the same grade range.
- 6.2 Generally, additional compensation will not be granted in the case of lateral transfers.
- 6.3 Moves that are temporary or part of a development plan or program, or job changes that are part of a specific work project may be considered for additional compensation.

Demotions

- 7.1 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.
- 7.2 Employees demoted as a result of inadequate performance 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.

First Line Supervisor Differential

- 8.1 To prevent inequities between bargaining unit employees, or equivalent jobs, and their supervisors, First Line Supervisors (FLS), jobs with the category of Supervisor, shall generally be paid a minimum five percent (5%) above the annualized **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 Achieved Expectations or better, for their prior year's performance.

Note: **Base Rate** of pay is defined as the negotiated hourly rate for the job, excluding any other payments granted to an employee such as premiums and overtime.

Timing of Salary Actions

- 9.1 The Human Resources Compensation group will accept requests to review competency based promotion, market or equity adjustments, and grade re-evaluations during the 8-month period of August through March, only.
- 9.2 Organizational promotion requests will be acted upon at any time during the year.
- 9.3 With the exception of the annual merit increase, at least six months must elapse between any salary actions, inclusive of date of hire.

Sign-On & Retention

- 10.1 Special incentives for the purpose of attracting or retaining staff may be recommended as an exception with appropriate approvals as specified in 1.4.

Incentive Pay

- 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 the Authority.
- 11.2 An incentive plan may be developed upon the recommendation of the Business Group Head accountable for the results, the Vice President, Human Resources, the Senior Vice President, Enterprise Shared Services and the President and CEO or his/her designee.
- 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.
- 11.4 Criteria for such an award must include extraordinary tangible benefits to the Authority such as reduced costs or increased revenue.

Vice President, Human Resources

Date

NEW YORK POWER AUTHORITY

EP: 2.4

EMPLOYEE POLICY

REVISION: 11

DATE: 06/17/2014

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SALARIED NON-EXEMPT AND FACILITY-BASED EXEMPT OVERTIME

- 1.1 This policy provides for the 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.
- 1.3 Responsibilities:
 - a) A Business Unit Head, Regional or General 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.
 - b) The Controller or designee will provide periodic reports of overtime paid including year-to-date totals. The Business Unit Head, Regional or General 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.
 - c) The Business Unit Head is responsible for the prudent use of overtime within the parameters established by the approved O&M Budget.
- 1.4 Eligible Employees:
 - a) All salaried 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

- b) Facility-based salaried exempt employees are those employees whose work location of record in SAP is not White Plains or Albany. Headquarters salaried exempt employees are those whose work location of record in SAP is White Plains or Albany.
- c) First Line Supervisors — salaried exempt employees with a job category of Supervisor at the facilities whose job is to supervise union employees or the equivalent at non-union facilities, may be eligible for exempt overtime compensation.
- d) Salaried exempt individual contributor employees at the facilities in grades up through 09 (I/U/X) may be eligible for exempt overtime compensation. Salaried exempt individual contributor employees working in the Trading room on a 24/7 shift, salaried exempt individual contributor Fuel Buyer positions supporting the Traders, and salaried exempt individual contributor Transmission System Operators working at the Energy Control Center (ECC), may be eligible for exempt overtime compensation despite location or grade.
- e) Headquarters salaried exempt employees, physically working at a facility as part of a specified temporary work project, and who are in grades 01 through 09 (I/U/X) may be eligible for exempt overtime compensation.
- f) Salaried 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 1.4(c), and the Buyers, those in the Trading room, and the System Operators at the ECC, as noted in 1.4 (d).

Non-Exempt Overtime

- 2.1 A non-exempt employee is 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.
- 2.2 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 Sections 1.2 and 1.3(a).
- 2.3 Notwithstanding the requirements of Section 2.2 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.

2.4 The rate of pay for non-exempt employees is as follows:

- a) Straight time for up to 40 hours in a workweek.
- b) 1 ½ 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 1 ½ times the equivalent hourly rate.

2.5 Generally, time spent traveling on company business will not be counted as hours worked for overtime computation purposes.

2.6 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 2.4) for that time period.

Additional detail on non-exempt overtime reporting is available on the PowerNet under Human Resources - Compensation

Exempt Overtime

3.1 An exempt employee is 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.

3.2 Time worked in excess of the normal workweek at an employee's discretion will not be compensated. For eligible salaried exempt employees, all paid overtime must be approved in advance in accordance with Sections 1.2 and 1.3(a).

- 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 2080 will be built in overtime.
- b) Trading 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.

- 3.3 For salaried exempt employees in, or temporarily acting in, First Line Supervisor positions, approved overtime will be paid at 1 ½ 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 1 ½ 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.
- 3.4 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.
- 3.5 Exempt employees who are preapproved to work during a scheduled holiday will be paid at 1 ½ 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.
- 3.6 Eligible employees temporarily assigned to work at a facility will assume the basic workweek of the facility and their rate of pay for overtime purposes will be determined on that basis.

Approval and Time Records

- 4.1 For eligible salaried exempt employees, an Overtime Approval form must be completed stating 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. These must be reviewed and approved (signed) by a Business Unit Head and/or Regional or General Manager, or designee, as appropriate. These records are retained by the applicable department or facility.
- 4.2 When a salaried exempt employee is temporarily assigned to an operating facility the time record should be approved by either the Business Unit Head or Regional or General Manager, or designee, as appropriate.
- 4.3 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.

- 4.4 Payment to a salaried 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 2 regarding treatment of non-exempt employees.]
- 4.5 This policy supersedes all prior policies and procedures regarding overtime for exempt and non-exempt personnel.



Vice President, Human Resources

Date

NEW YORK POWER AUTHORITY

EP: 3.1

EMPLOYEE POLICY

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DATE: 3/29/2012

PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT, WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

SALARIED EMPLOYEE CATEGORIES AND ELIGIBILITY FOR BENEFITS

- 1.1 This policy defines the various categories of salaried Authority employees, and the benefits available to each category. The category of an employee will determine the applicable benefits.

Definitions

- 2.1 A salaried Authority employee, whose status is full-time or part-time, transitional, provisional, temporary, or intern, is classified as either an exempt or non-exempt salaried employee depending on the job he/she performs or the position he/she fills. A cooperative employee is classified as non-exempt.
- a) Full-time Authority Employee – An employee who works at least 37½ or 40 hours per week (as determined by Business Unit or Department), if assigned to the Albany or White Plains Office, or 40 hours per week, if assigned to an operating facility.
 - b) Transitional Employee – A full-time Authority employee with a written development plan designed to prepare that employee to fill an anticipated vacancy in another Authority position within a designated time-frame.
 - c) Part-time Authority Employee – An employee who has 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 works a minimum of 20 hours per week but less than 37½ or 40 hours (whatever is applicable) if assigned to the Albany or White Plains Office, or at least 20 but less than 40 hours if assigned to an operating facility.
 - d) Provisional Employee – Employed on a full-time basis 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 is paid directly by the Authority.
 - e) Temporary Employees – Employed for a period of not more than one year (from date of hire) **unless approval to extend employment for an additional period is received from headquarters Human Resources Department Head and the Budget Department.**
 - 1) Full-time Temporary Employee – employed on a full-time basis for a specific position or assignment, and who is paid directly by the Authority.

- 2) Part-time Temporary Employee – employed on a part-time basis for a specific position or assignment, and who is paid directly by the Authority.
- 3) 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, and who is paid by the Authority.
- 4) Cooperative – (“Co-op”) – 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. Cooperative employees may be paid or unpaid by the Authority.
- 5) 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.

Benefits

- 3.1 Full-time Authority Employees or Transitional Employees (as defined in 2.1 a and b) are eligible to receive the Authority benefits as listed in the FlexAbility Guidebook and Benefits Handbook (see NYPA intranet page for this information).
- 3.2 Part-time Authority Employees (as defined in 2.1 c) are eligible to receive Authority benefits with the following qualifications:
 - a) Retirement System - New York State and Local Retirement System service credit for part-time Authority employees is pro-rated based on the number of hours worked per week.
 - b) Educational Assistance Program - The Educational Assistance Program benefit is pro-rated based on the number of hours worked per week.
 - c) Vacation and Sick Leave - Vacation and sick leave credits are based on the number of hours worked per week.
 - d) Holidays - Part-time Authority employees who 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 holiday.
 - e) Flex Credits – Flex Credits are based on a reduced flat amount.
 - f) Insurance - Life insurance and long-term disability are adjusted based on the employee's pro-rated pay.

3.3 Provisional Employees (as defined in 2.1 (d)) are eligible for some Authority benefits, as follows:

- a) Flex Credits based on a reduced flat amount
- b) Mandatory participation in the New York State and Local Retirement System
- c) Vacation time will be credited as stated in the Vacation Policy (EP 3.2)
- d) Sick leave will be accrued as stated in the Sick Leave Policy (EP 3.9)

A provisional employee does not receive the following Authority benefits:

- a) Life Insurance
- b) Long-Term Disability
- c) Educational Assistance
- d) Payment for holidays that fall on a day the employee is not scheduled to work (refer to 3.2 (d) for more details about holiday pay)

3.4 Temporary Employees (this includes Full-time and Part-time Temporary Employees, Co-ops and all Interns) are not eligible to receive Authority benefits with the following exceptions:

- a) Participation in the New York State and Local Retirement System is optional for a temporary part-time employee or for a full-time temporary employee whose period of employment is less than one year. Membership in the New York State and Local Retirement System is mandatory for a full-time temporary employee whose employment exceeds one year (prior approval must be obtained from headquarters HR and the Budget Department).
- b) Temporary Employees are not paid for holidays unless they work on a holiday.
- c) Any requests to hire a NYPA retiree (including NYPA retirees who have suspended their pensions) into temporary or provisional positions must be approved by the President & Chief Executive Officer. The request for approval must contain documentation of the need to continue services from that individual.
- d) New York Power Authority retired employees who return to Authority employment and have suspended their New York State Retirement System pension because they have exceeded the annual earnings limitation as specified under Section 212 of the New York Retirement and Social Security Law shall retain their Authority-provided retiree benefits for a period of up to six months.

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- 3.5 For more detailed information about the applicable employee benefits as listed above, please refer to the FlexAbility Guidebook and Benefits Handbook.


Vice President, Human Resources

3/29/12
Date

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EP: 3.2

EMPLOYEE POLICY

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VACATION

- 1.1 Because NYPA recognizes the importance of vacation time in providing the opportunity for rest, recreation, and personal activities, the Authority grants annual paid vacations to its full-time, part-time, and provisional salaried employees (see EP 3.1, Salaried Employee Categories and Eligibility for Benefits Policy, for employee category definitions).

Eligibility for Vacation

- 2.1 Full-time salaried 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 Authority 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 ($1/12^{\text{th}}$ of 20 vacation days, or $1\frac{2}{3}$ 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 $\frac{1}{2}$ 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 $\frac{1}{2}$ 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 who are on a medical leave and receiving full pay will receive full vacation credits on January 1. Employees on sick leave at half-pay or a leave of absence without pay or long term disability on January 1, will not receive vacation days until they return to work, at which point the 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 receiving their vacation days on January 1, and remain employees, will keep the vacation days that were granted on January 1.

- 3.2 Vacation days for part-time salaried Authority employees are credited on a pro-rated basis based 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.

- 3.3 Provisional salaried 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.

Vacation Usage

- 4.1 New employees may use vacation time immediately with the approval of their supervisor (see Section 6.1 (d)).*
- 4.2 Employees may use vacation days in full or half-day increments. However, supervisors may allow employees to offset partial vacation days with flexible scheduling, allowing them to make up time by working extra hours on other days. Supervisors may also grant very limited time off without using vacation time if the absence is so brief that it does not affect getting assigned work completed.
- 4.3 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.
- 4.4 Once employees have submitted their resignation, vacation usage is subject to their supervisor's approval. However, employees must physically be at work on their last day of employment.

*(Some Business Units, Sites or Departments may require the vacation request in writing.)

Vacation Carryover

- 5.1 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 31 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, individual exceptions to this limitation on carryover of vacation days 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 no later than January 10th of the year in which the vacation accumulation exceeds the 40-day maximum.

Pay in Lieu of Vacation

- 6.1 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 employees resign, provided they give the Authority at least two weeks' written notice.
 - b) When employees' services are terminated by the Authority.
 - c) When employees resign, are terminated or retire, they 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 employees have 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 the Authority (to the extent possible, payment will be withheld from the employee's final paycheck).
 - d) When employees resign or are terminated prior to six months of service, they are 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 the Authority (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 made to the beneficiary as named in the employee's group life insurance policy.

Vacation Buy-Back Program

- 7.1 If a vacation buy-back is offered and announced by Human Resources, employees will be advised of the amount of vacation they are allowed to "buy-back" at that time.
- 7.2 When the announcement is made by Human Resources, request forms must be sent to Payroll with the specified deadline dates. Requests received after the announcement deadline date will not be honored or processed.
- 7.3 The vacation "buy-back" 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.

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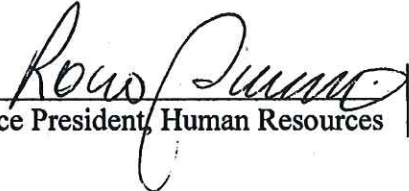
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The vacation "buy-back" payment does not constitute salary as defined by the Retirement and Social Security Law. Therefore, Tier 3 or Tier 4 contributions, if applicable, will not be deducted from the vacation buy-back check, nor will the buy-back be reported to the Retirement System as wages. Therefore, the value of the "buy-back" will not be included in the calculation of an employee's Final Average Salary.


Vice President, Human Resources

3/29/12
Date

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EMPLOYEE POLICY

PLEASE REFER TO THE PORTION OF THE EMPLOYEE POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT, WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

FAMILY & MEDICAL LEAVE ACT (FMLA)

- 1.1 This policy applies to all employees at all NYPA sites and offices and provides guidelines for qualifying leaves under the Family and Medical Leave Act ("FMLA"). The Notice to Employees of Rights under the FMLA (WHD Publication 1420) ("Notice") is fully incorporated into this policy. The policies and guidelines stated in this FMLA policy shall be subject to such other terms and conditions as are provided in the FMLA and its regulations.

ELIGIBILITY FOR FAMILY MEDICAL LEAVE ACT ("FMLA")

- 2.1 To be eligible for FMLA leave, an employee must have been employed with the Authority for at least 12 months and have worked at least 1,250 hours during the previous 12 months.
- 2.2 Type of Leaves Covered Under the FMLA:
- 1) Employee Medical Leave ("EML") (see Section 4) - for an employee's "serious health condition" that makes the employee unable to perform the functions of his or her position, including "serious health conditions" also eligible for workers' compensation;
 - 2) Family Medical Leave ("FML") (see Section 4) - for the care of an employee's spouse, child, or parent (not parent-in-law) who has a "serious health condition";
 - 3) Newborn Leave ("NL") (see Section 5) - for the care of a healthy newborn child;
 - 4) Adoption Leave ("AL") (see Section 5) - for the care of a newly adopted or newly placed foster care child;
 - 5) Military Family Leave ("MFL") (see Section 6) - for spouse, child, parent or next of kin of a covered servicemember to care for that servicemember; and
 - 6) Qualifying Exigency Military Family Leave ("QEL") (see Section 7) - to take care of certain qualifying exigencies arising when a spouse, parent, or child has been called to, or is on, active duty in the National Guard or Reserves.
- 2.3 Eligible employees may receive up to a total of 12 weeks of FMLA leave on a rolling 12 month period starting with the first day that an employee commences any approved FMLA leave. However, Military Family Leave qualifies eligible employees to receive up to a combined total (with any other FMLA leave) of 26 weeks in a single rolling 12 month period.

NOTIFICATION/CERTIFICATION

- 3.1 When the need for FMLA leave is foreseeable, an employee should notify his/her supervisor and Human Resources at least 30 days in advance of the start date of the intended leave, or as soon as it is foreseeable. When the approximate timing of the need for leave is not foreseeable, an employee must provide notice to his/her supervisor and Human Resources as soon as practicable under the facts and circumstances of the particular case. Absent unusual circumstances, an employee will be expected to comply with his/her site/department's normal procedures for requesting leave and calling in absences. Failure to follow such procedures may result in a delay or denial of FMLA protection.
- 3.2 FMLA leaves can only be approved by the Vice President Human Resources, or designee(s), at the headquarters office, or the Facility Manager of Human Resources, or designee(s), at the sites. In situations when there is no Facility Manager of Human Resources at a site, FMLA leaves will be approved by the Vice President Human Resources, or designee(s). Once approved, FMLA leave is applied retroactively to the first day of absence.
- 3.3 The applicable fully completed Certification of Health Care Provider form or Certification of Serious Injury or Illness of Covered Servicemember ("Certifications"), signed by a health care provider, is required for all types of FMLA leave other than Qualifying Exigency Military Family Leave, which has its own separate form and requirements. Newborn leave may require documentation (see Section 5.1).
- 3.4 It is the employee's responsibility to see that the applicable Certification is completed, and returned to the Authority as soon as possible after the leave is requested, but no later than 15 calendar days from the date that the employee receives the Certification form from Human Resources.
- 3.5 If the Certification is incomplete or insufficient, the Authority will notify the employee and provide him/her up to seven calendar days to remedy any deficiencies. After this opportunity to remedy deficiencies has passed, a health care provider, human resources professional, leave administrator, or management official may contact the health care provider for purposes of limited clarification or authentication of the Certification. Under no circumstances may the employee's direct supervisor contact the employee's health care provider. In addition, in those situations where NYPA seeks to speak to the health care provider directly to obtain or discuss medical information related to the Certification, the employee may need to provide his/her doctor a HIPAA authorization allowing NYPA to do so.
- 3.6 The employee's request for FMLA leave may be denied in the event that an employee fails to: a) provide a Certification, b) timely remedy deficiencies in a Certification, or c) to provide a HIPAA authorization when requested as necessary for his/her health care provider to provide medical information directly to the Authority.

- 3.7 Employees attempting to obtain, or obtaining, FMLA leave by fraudulent means, shall be denied the restoration of their job or any other job at the Authority and utilization of paid time for time out of work.
- 3.8 Recertification of the need for FMLA leave may be required at various intervals, but generally not more than every 30 days, unless the Certification indicates that the minimum duration of the condition is more than 30 days, there is a change in circumstances or return to work date, an extension of leave is requested, or other circumstances cast doubt on the continuing validity of the leave.

EMPLOYEE MEDICAL LEAVE ("EML") AND FAMILY MEDICAL LEAVE ("FML")

- 4.1 When an employee has been absent from work for five (5) consecutive or closely occurring intermittent business days due to a "serious health condition," or when it appears that an employee will not be returning to work for a lengthy or undetermined amount of time due to a "serious health condition," he/she may be eligible for an Employee Medical Leave ("EML") under the FMLA.
- 4.2 If more than five (5) business days (consecutive or intermittent) are needed to care for the "serious health condition" of a spouse, child, or parent (not parent-in-law), an employee may be eligible for Family Medical Leave ("FML") under the FMLA.
- 4.3 When the absences exceed this five day period for a "serious health condition," the employee should provide notification to Human Resources, at which point the FMLA process will be initiated for eligible employees.
- 4.4 EML and FML may be taken on a consecutive, intermittent or reduced work schedule basis as provided by the health care provider on the Certification.
- 4.5 FMLA leave on an intermittent basis is leave which can be taken in fifteen (15) minute increments, on a non-regular basis, because of a single qualifying reason. FMLA leave on a reduced schedule is leave which reduces the number of working hours in a basic work week or workday for a period of time. If an employee needs leave intermittently or on a reduced leave schedule for planned medical treatment, then the employee must make a reasonable effort to schedule the treatment so as not to disrupt unduly the Authority's operations.
- 4.6 Employees who qualify for EML and FML must first utilize all accrued sick time. Employees may then request and utilize any approved accrued vacation or accrued floating holidays (see Sections 10.6 and 10.8 below). Vacation time may only be used prior to sick time for salaried employees EML's for service credit purposes related to sick leave at half-pay (see Sick Leave Policy EP: 3.9). In all cases, qualifying time absent, whether paid or not, will be applied toward the maximum 12-week FMLA time period. Use of vacation time does not alter the status of the leave as FMLA leave, nor does it extend any Authority provided job security periods. (For EMLs related to Workers Compensation also see Sections 9.1-9.3).

- 4.7 Once accrued sick time is exhausted (and where vacation or floating holiday time is not being used, or has been exhausted), eligible salaried (non-bargaining unit) employees on EML will be placed on sick leave at half-pay (see Sick Leave Policy EP: 3.9), or on no-pay status if not eligible. In certain circumstances, salaried employees may also be eligible to receive donated vacation leave (see Attachments 1 and 2). Sick leave at half-pay is not available for any other type of FMLA Leave. If an employee on FML has no sick or vacation credits, or elects not to apply vacation credits, non-worked hours will be unpaid.
- 4.8 After three consecutive months of EML, and after all accrued sick leave and sick leave at half pay has been exhausted, a salaried employee may be eligible for benefit payments under the Long-Term Disability ("LTD") benefits. (See Sick Leave Policy EP: 3.9). Employees covered under a Collective Bargaining Agreement ("CBA") may be entitled to short and/or long term disability benefits. Such employees should contact their Human Resources Facility Manager and refer to their applicable Collective Bargaining Agreement and Benefit book for information on their benefits.
- 4.9 Employees returning to work from an EML must provide Human Resources with written medical documentation verifying their ability to return to work and fitness for duty. This should be provided at the earliest practicable time **before** returning to work. An employee will not be allowed back to work without sufficient written medical documentation.

NEWBORN ("NL")/ADOPTION ("AL") LEAVE

- 5.1 An employee may take a Newborn Leave ("NL") to care for a healthy newborn under the FMLA within one year after birth (i.e., bonding). Any time taken to recover from child birth, to assist a mother recovering from child birth, or to care for a newborn with a "serious health condition" should be taken as Employee Medical Leave or Family Medical Leave respectively.
- 5.2 An employee may take an Adoption Leave ("AL") in connection with travel for and placement of a child for adoption or foster care within one year of initial placement in the home, or adoption, whichever comes first. Documentation from an agency or attorney verifying such placement of a child must be submitted to Human Resources within 15 business days or as soon as practicable.
- 5.3 Newborn and Adoption Leave may only be taken as consecutive leave and will be without pay unless the employee chooses, and receives approval, to use accrued vacation time. In all cases, time absent, whether paid or not, will be applied toward the maximum yearly 12-week FMLA period.
- 5.4 If both parents of a healthy newborn or a newly placed foster or adopted child work for the Authority, only one parent is entitled to these types of FMLA leave for each qualifying occurrence. However, both parents will be allowed leave for travel necessary for placement of a child for adoption or foster care.
- 5.5 In all cases, time absent, whether paid or not, will be applied toward the applicable 12-week FMLA time period.

MILITARY FAMILY LEAVE ("MFL")

- 6.1 Military Family Leave ("MFL") provides eligible employees unpaid leave to care for a covered family member who has incurred a serious injury or illness in the line of duty as a covered servicemember while on covered active duty in the Armed Forces.
- 6.2 A covered family member is a spouse, son, daughter, parent or next of kin. A covered servicemember is a person either in the military or a veteran for up to five years after he or she leaves military service, even if the injury did not manifest itself until the servicemember became a veteran.
- 6.3 An employee who is a covered family member may take up to 26 weeks of leave during a single 12-month period to care for the covered servicemember. This 26-week period is the maximum amount of leave that may be taken in combination with any other FMLA-qualifying leaves in a single 12-month period beginning with the employee's first day out.
- 6.4 Such leaves may be on a consecutive basis, intermittent or a reduced schedule basis, as detailed by the health care provider on the Certification.
- 6.5 Employees must utilize accrued sick time first until sick leave accruals are exhausted. Employees may then request and utilize any accrued floating holidays (salaried only), vacation or other accrued paid time off (see Section 10.6 below) or be placed on no-pay status.
- 6.6 In all cases, time absent, whether paid or not, will be applied toward the applicable 26-week FMLA time period.

QUALIFYING EXIGENCY MILITARY FAMILY LEAVE ("QEL")

- 7.1 An employee who is a spouse, son, daughter, or parent of a covered servicemember called to, or on, covered active duty in regular or reserve components of the Armed Forces during a deployment of the servicemember to a foreign country may take up to 12 workweeks of leave during any 12 month period for a "qualifying exigency."
- 7.2 Reasonable documentation of family relationship may be required.
- 7.3 A "qualifying exigency" is limited to the following: a) short notice deployment; b) attending certain military events and related activities; c) arranging for alternative childcare and school activities; d) addressing financial and legal arrangements; e) counseling; f) rest and recuperation; g) attending post-deployment activities; and h) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on time and duration of the leave.
- 7.4 Leaves for Qualifying Exigencies shall be unpaid, unless the employee requests and is given permission to use accrued vacation time, floating holidays (salaried only) or other accrued time off (excluding sick time).

- 7.5 In all cases, time absent, whether paid or not, will be applied toward the applicable 12-week FMLA time period.

JOB SECURITY FOR SALARIED EMPLOYEES WHILE ON FMLA OR EXTENDED MEDICAL LEAVE

- 8.1 When a salaried employee is absent from work on any qualified consecutive FMLA leave, other than Military Family Leave, their position will only be held open for a period of three months beginning on the first day of absence for the first FMLA leave within a 12-month period, even if the employee has accumulated sick and/or vacation leave that extends beyond that three month period.
- 8.2 If a department intends to fill a salaried position held by someone on FMLA leave (other than qualifying Military Family Leave) at any time after the expiration of the three month job security period, the employee's supervisor must notify site/headquarters Human Resources and the employee of this intent.
- 8.3 For all FMLA leaves other than Military Family Leave, any extended leave beyond the three months FMLA and job security period up to, but not exceeding, six months must be approved by the employee's Business Unit head or Regional Manager in conjunction with Human Resources prior to informing the employee of the approval of the extension. By approving the extension, the Authority will attempt to maintain the availability of a position, but not necessarily the same position, for the agreed upon leave period. In these circumstances, there is no guarantee that the employee's current position will remain open. The Authority will attempt to place the employee in a similar (or lesser) position for which they are qualified at the time of return. A position will not be created. At the conclusion of six months, the employee will be advised that his/her continued employment has been terminated.
- 8.4 When an employee is absent from work on a qualifying Military Family Leave, their position will be held open for a period of up to six months beginning on the first day of absence for the first FMLA leave within a 12-month period, even if the employee has accumulated sick and/or vacation leave that extends beyond that six month period. At the conclusion of six months, the employee will be advised that his/her employment has been terminated.
- 8.5 Extensions of leave beyond the six month period will be considered on an individual basis. Such a request **must** be made in writing and can only be approved by the Human Resources Department Head. Such requests should be made as soon as practicable before the end of the six-month period and must include information from the health care provider about the employee's current medical status, expected return to work dates as well as any return to work conditions or limitations. Any remaining accrued sick leave will also be taken into consideration in reviewing the request for an extension of the leave. For extensions of Military Family Leave beyond the six month period, the military member's current medical status and the employee's expected return to work date must be provided.

WORKERS' COMPENSATION

- 9.1 If an employee is out on a Workers' Compensation leave for a health condition which also qualifies as an FMLA leave, it will be treated concurrently as an FMLA leave.
- 9.2 In such cases, employees have the option of applying unused accrued sick and/or vacation time to their first three months of absence from work. The employee must complete a "Use of Vacation/Sick Accruals" form (provided by their Human Resources representative) to make their election, which is irrevocable. If the employee chooses to apply sick/vacation time towards a Workers' Compensation/FMLA leave and the Workers' Compensation claim is found to be compensable, sick/vacation time will be credited back to the employee on a prorated basis in a proportionate manner based on the amount of the award and the amount of sick/vacation time used or other Collective Bargaining Agreement contractual language.
- 9.3 Bargaining Unit employees are directed to their Human Resources Facilities Manager and the applicable Collective Bargaining Agreement or Benefit book.

PAYROLL STATUS WHILE ON FMLA LEAVE

- 10.1 Depending on the particular type of leave and an employee's individual circumstances (including whether they are salaried or members of a bargaining unit), an employee may be eligible for income while on a FMLA leave through sick leave, sick leave at half-pay for salaried employees, vacation leave, short term disability for bargaining unit employees, and/or long term disability, or all or part of a FMLA leave may be unpaid.
- 10.2 Applicable benefits and associated payroll deductions (taxes, flexible benefit credits and deductions, NYS Retirement System contributions, PowerFlex, Employees' Savings Plan, loans, Liberty Mutual insurance, other insurance, etc.) will continue while an employee is out on any qualified FMLA leave and is still receiving compensation regardless of whether it is full- or half-pay (using sick or vacation accruals) or sick leave at half-pay, if applicable.
- 10.3 Deductions are prioritized by the Payroll Department. Any questions concerning the priority of deductions should be addressed to the Payroll Department and/or the applicable Human Resources representative.
- 10.4 For salaried employees, if an employee works on a part-time schedule prior to going out on FMLA leave, and is receiving compensation while on that leave, they will be paid based on the days they work on their part-time schedule.
- 10.5 For bargaining unit employees, holidays will be fully paid if during the calendar week in which such holiday occurs the employee has been on paid status at least two full days and all absences from work on the employee's remaining regularly scheduled work days during that week are approved in writing by the supervisor in accordance with the applicable Collective Bargaining Agreement. Employees on unpaid status prior to the calendar week of the holiday will not be paid for the holiday.

- 10.6 An employee on an FMLA leave who wants to use their accrued vacation time to cover any part of that leave must make a request to their local Human Resources Department. Without notification, accrued vacation time will not be automatically applied.
- 10.7 Holidays will be fully paid only if an employee is on a full-pay status (using sick or vacation leave or floating holiday) on the business day prior to the holiday. Holidays will be paid at half-pay if the employee is on sick leave at half-pay on the business day prior to the holiday. Employees on unpaid status on the day prior to a holiday will not be paid for the holiday.
- 10.8 Floating holidays, if accrued but not used before FMLA leave commences, must be used before any unpaid leave begins. If an employee on half or full pay status will be on leave at the end of the calendar year, and has not yet used their floating holidays, they will automatically be applied toward the leave prior to year's end.
- 10.9 Deductions and Credits:
- 1) FlexAbility Deductions
 - a) Where applicable, FlexAbility credits for Salaried employees, or payments for Waiving Coverage for IBEW employees and/or any other applicable benefit costs, will continue to be paid/deducted while an employee is out on FMLA leave and is still receiving pay from NYPA.
 - b) Once on a no pay status, in order for the benefit costs to remain a pre-tax deduction, where applicable, Human Resources and Payroll must receive enough advance notice (30 days) before a leave begins, to be able to arrange for the pre-tax deductions to be taken from the paycheck.
 - c) Otherwise, an employee must pay their applicable contributions to the Authority monthly during their leave on an after-tax basis. (Bargaining unit employees contact your HR Department for appropriate no pay status form)
 - d) The Authority's obligation to maintain the above coverages ceases if the contribution is more than 30 days late. The Authority must give 15 days' notice to the employee prior to the termination of benefits.
 - 2) If a portion of a salaried employee's FMLA leave will be unpaid, flex credits will be used to determine the premium they must pay to the Authority. The cost will be based on the flex credits they were entitled to while being paid, minus the cost of deductions.

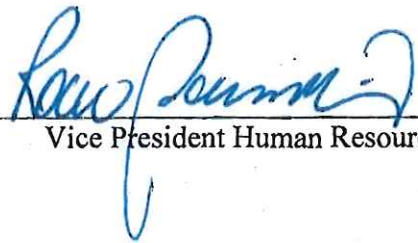
Bargaining Unit employees' payments will be based on their benefit elections and applicable contractual contribution.
 - 3) All other deductions (*i.e.*, PowerFlex accounts) will be doubled per pay-period when an employee returns to work until they are back on the appropriate annual deduction schedule or have made up the appropriate percentage amount.

4) Benefits Coverage Period:

a) Salaried employee's benefits will continue for 6 months (from first day of absence) as long as an employee pays the required employee contributions while they are out on leave.

b) A salaried employee's benefits will cease once the employee has been absent for six months from their first day of absence, even if their leave is approved to be extended beyond six months under the provisions of Section 8.5. If a salaried employee has 10 or more years of service with the Authority and is collecting long-term disability payments (see the Employee Benefits Handbook for Salaried Employees for LTD eligibility criteria), their health care coverage will be continued at a cost to them. The cost will be based on flex credits, minus the cost of the medical plan.

c) Bargaining unit employees should contact their Human Resources Facility Manager and refer to their applicable Collective Bargaining Agreement and Benefit book.



Vice President Human Resources

DONATION OF VACATION LEAVE

This attachment allows eligible salaried employees who are on medical leave to receive vacation leave that has been donated by other salaried employees.

Eligibility

An employee *absent for his/her own personal illness or injury* who has been out for at least 20 *consecutive business* days due to a *serious health* condition and who has exhausted ALL accumulated sick and vacation leave credits will be eligible to receive donated vacation leave. The 20-day waiting period has been established in order to limit eligibility to long-term *serious health* conditions rather than short-term sick leave.

An employee receiving any form of pay (i.e., workers' compensation, sick leave at half-pay, long-term disability) is not eligible to receive donated vacation leave.

Who May Donate

An employee who has accumulated vacation leave credits and who is on the active payroll may donate vacation leave.

Donated Vacation Information

An employee may donate vacation leave in increments of 1 day.

A donating employee must be left with a remaining vacation leave balance of 5 days, in the event he/she needs the time for unforeseen reasons.

If an employee returns to work and all of the donated vacation leave is not fully utilized by the recipient, *up to 10 days of donated vacation may be kept by the employee. The remainder will be credited back proportionately to the donating employees based on the number of days donated by each employee compared to the total days donated.*

Procedures

When an eligible employee exhausts his or her accumulated sick and vacation leave credits, Payroll will notify the *employee and his or her business group, unit/department head. The business group, unit/department head may, at his or her discretion, ask employees if they wish to donate vacation leave days. When determining whether an employee is eligible to receive donated vacation leave, the business group, unit/department head should consider factors such as the employee's attendance record. The business group, unit/department head, or his/her designee, should try to determine how much time is needed until the employee is eligible for long-term disability benefits.*

When a department cannot provide an employee with a sufficient number of days at full pay until the employee is eligible for long-term disability benefits, the business group, unit/department head may request the Employee Relations Manager at headquarters, or the Facility Manager of Human Resources at the sites, to solicit other departments to participate.

Donated vacation leave cannot exceed three months from commencement of the leave (the time at which the employee is eligible for long-term disability benefits).

An employee who wishes to donate vacation leave must complete a Vacation Donation Form (see Attachment 2) and submit the form to the employee's business group, unit/department head or designee, who in turn should forward the form to Payroll.

Payroll will credit the donated vacation leave days to the recipient employee's vacation leave balance (not calculated by rate of pay). Donated vacation leave will be paid to the employee at his or her regular rate of pay. Applicable payroll taxes and deductions will be withheld from such payments.

When an employee donates vacation leave, his or her vacation leave balance will be reduced by the number of days donated (not calculated by rate of pay).

VACATION DONATION FORM FOR SALARIED EMPLOYEES**TO: WPO Payroll****Donor's Name****Date****Department****Location****Extension****Number of Vacation
Days to be donated****Donated To****Signature****Date****Cc: Recipient**

NEW YORK POWER AUTHORITY

EMPLOYEE POLICY

EP: 3.4
REVISION: 7
DATE: 7/29/2013

PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

LEAVES OF ABSENCE

- 1.1 This policy provides the requirements for a salaried Authority employee to take one of the following leaves of absence: leave due to death in the family, military leave, leave for jury duty, or personal leave without pay. (Information about leaves of absence covered by the Family and Medical Leave Act is found in EP: 3.3.)

Leaves Due To Death In The Family

- 2.1 The Authority provides three days of paid leave when there is a death in an employee's immediate family. Temporary Employees (as defined in Section 2.1 (e) of EP: 3.1) are not eligible for such paid leave.
- 2.2 Immediate family is defined as an employee's spouse, mother, father, stepmother, stepfather, brother, brother's spouse, sister, sister's spouse, child, child's spouse, stepchild, grandparents, grandchildren; or an employee's spouse's mother, father, brother, sister, children, or grandparents. For these purposes "spouse" will include domestic partners who have satisfied NYPA's Domestic Partner Benefits eligibility (even if not subscribed to NYPA Domestic Partner medical benefits). Refer to the Flexability Plan Overview of Employee Handbook or the HR intranet site.
- 2.3 If an employee will be absent due to the death of an immediate family member he/she must notify his/her supervisor as soon as possible.
- 2.4 The employee's time, indicating the reason for the absence must be entered in the time entry system and the appropriate documentation must be submitted to the employee's supervisor. Vacation leave or a floating holiday is to be used when the deceased is someone other than immediate family (as listed in Section 2.2), or if an employee intends to take more than the three days provided for in this policy.
- 2.5 Leave due to death in the immediate family is paid at an employee's base salary for the number of days absent (up to three days).

Military Leave

- 3.1 If an employee (as defined in Section 2.1 (a), (b), (c) and (d) of EP: 3.1) is a member of the National Guard or the Organized Reserve Forces of the United States he/she will be allowed up to 30 workdays leave of absence per calendar year with full pay for military service.

NEW YORK POWER AUTHORITY
EMPLOYEE POLICY

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- 3.2 Documentation of appropriate military orders must be provided prior to the commencement of the leave, with as much advance notice as possible.
- 3.3 Upon return from leave, the Payroll Department must receive a copy of the appropriate military orders.
- 3.4 Authorized military leave is paid at an employee's base salary.
- 3.5 Special circumstances may apply to employees who are activated in connection with serving in the military under a U.S. Declaration of War or Congressional Authorization of Force or for employees who are Emergency Service Volunteers who are certified by the American Red Cross as disaster volunteers. For more details contact your local Human Resources office.

Leave For Jury Duty

- 4.1 The Authority provides a full-time, part-time or provisional salaried employee (as defined in EP: 3.1) with a paid leave of absence for the time needed to fulfill jury duty service. Temporary salaried employees, cooperatives and interns are entitled to minimum benefits for a leave of absence due to jury duty as required by law.
- 4.2 If an employee is summoned and required to serve on jury duty, he/she must advise his/her supervisor of the jury duty summons as soon as possible.
- 4.3 The employee is expected to report to work to the extent reasonably practicable when jury duty requires only part of the day.
- 4.4 Upon return from jury duty the employee must furnish his/her supervisor with a copy of the jury duty summons, or similar documentation.
- 4.5 Employees are paid for all days served on jury duty at their base salary in effect upon commencement of leave.

Pay Status Of Authority Employee Subpoenaed As A Witness

- 5.1 If an employee is subpoenaed to testify in a judicial or administrative proceeding as a witness on a matter arising out of his/her responsibilities at the Authority, or if an employee appears in a judicial or administrative proceeding at the request of the Authority, he/she will be paid at his/her base salary.
- 5.2 In all other circumstances, e.g., when an employee appears as a witness in a matter unrelated to the Authority or for activities outside the scope of his/her Authority

responsibilities, vacation time must be charged for any absence in connection with that appearance.

Personal Leave Without Pay

- 6.1 A leave of absence, other than a medical leave or a Family and Medical Leave Act ("FMLA") leave, (see EP: 3.3), to pursue personal interests will be considered on an individual basis as long as the absence will not adversely affect his/her department's work goals and needs.
- 6.2 If an employee is seeking to take a personal leave without pay he/she must submit a written request to his/her supervisor indicating the reason for the leave, the date the leave is expected to commence and the expected length of the leave. If the supervisor and the Business Group, Unit/Department Head, or Regional/Plant Manager (approval level based on Business Group Head discretion), approves a request, approval from the Human Resources Department Head must be received before the employee is notified that the request has been granted. Requests for such leave should be forwarded to Employee Relations at headquarters or the Facility Manager of Human Resources for site staff so approval can be obtained from the Human Resources Department Head.
- 6.3 Before an employee is placed on personal leave without pay, he/she must exhaust all accumulated vacation leave credits, unless special exemption has been granted by the Human Resources Department Head. Accumulated sick leave credits may not be used for personal leave purposes.
- 6.4 Job security while on personal leave without pay will be considered by the respective department, in consultation with Employee Relations based on the individual circumstances (i.e., length of leave, reasons, etc.).
- 6.5 A member of the Employee Relations staff at headquarters or the Facility Manager - Human Resources at the sites will provide direction about the personal leave without pay. All benefits, with the exception of long-term disability and New York State Retirement System service credit (which require active payroll status), will continue for a personal leave without pay of 30 days or less. The employee will be required to pay his/her employee contributions during a personal leave without pay of 30 days or less. If a personal leave without pay is granted for a period of more than 30 days, all benefits, with the exception of long-term disability and New York State Retirement System service credit, can be continued if the employee pays the full cost of the benefits. Arrangements can be made to continue benefits by making contributions on a post-tax basis.
- 6.6 Long-term disability insurance coverage will cease at the commencement of an approved personal leave without pay, but will resume upon the employee's return from leave. New York State Retirement System participation will continue; but the employee will not earn

service credit during the period of the leave. Service credit will resume upon an employee's return from leave.

- 6.7 If an employee is on personal leave without pay on January 1, he/she will receive sick and vacation leave credits on a pro-rated basis upon his/her return to work. If an employee receives sick and vacation leave credits on January 1, and commences a Personal Leave without pay after that date, he/she keeps the sick and vacation leave that was credited on January 1.
- 6.8 When an employee is on personal leave without pay, he/she will not receive holiday pay if a holiday occurs during the leave.
- 6.9 Before an employee's return from an approved personal leave without pay, the supervisor must notify the Employee Relations Unit of Human Resources at headquarters or the Facility Manager - Human Resources, so that the necessary payroll and benefits transactions can be initiated to return the employee to active status (the employee cannot return to work at his/her discretion).

Paid Volunteer Time (PVT)

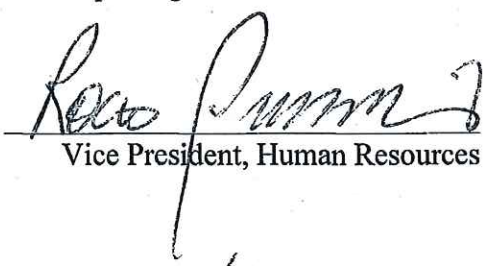
- 7.1 In order to support the efforts of full-time, salaried employees (as defined in Section 2.1 (a) of EP: 3.1) who give their time to communities and charitable organizations, the Authority provides two days of paid volunteer time (PVT) annually.
- 7.2 Employees must be actively at work to participate.
- 7.3 One day may be used for an individual volunteer activity and one day may be used for a team (of Authority employees) volunteer project. Or, both days may be used for team volunteer projects.

Volunteer activities/projects include, but are not limited to, park cleanup, fundraising walks, food drives, blood drives, disaster recovery assistance, and building/repairing affordable housing. The activities/projects can support local, national or international charities.

- 7.4 Employees may request to use PVT in full days or half days. PVT hours must be used during normal business hours. PVT will be paid at an employee's normal rate of pay, and is not subject to overtime rates or any other expenses that are associated with such leave. Unused PVT may not be carried over to the next calendar year.
- 7.5 If an employee is seeking to take a PVT day, he/she must submit a request form to his/her supervisor and Human Resources, indicating the organization he/she will be volunteering

for, the type of activity, and the date of the PVT. Human Resources will confer with the Chief Ethics and Compliance Officer to conduct a conflict of interest analysis consistent with the Authority's Ethics Code of Conduct. If the analysis results in a finding of compliance with the Code of Ethics, the request will be approved. Supervisors/Managers will approve requests on an individual basis as long as the absence will not adversely affect his/her department's work goals and needs. An employee is not authorized to take a PVT day unless he/she has obtained approvals from Supervisor/Manager, Human Resources and the Chief Ethics and Compliance Officer.

- 7.6 The organization must have an IRS designation of a 501(c) (3) or be recognized as tax-deductible under Section 170(c) of the Internal Revenue Code. All charities must also be vetted in accordance with the U.S. Patriot Act.
- 7.7 The Authority cannot approve requests for certain activities/projects, including but not limited to:
- pose a potential conflict of interest for the Authority;
 - are not aligned with the Code of Conduct or our corporate values;
 - may involve the Authority in controversial issues;
 - pose safety or security risks to employees (e.g. clean-up work at a disaster site; construction or remodeling work not under the supervision of a trained professional; or any type of volunteer activity not under the supervision of an eligible charity);
 - consist of fundraisers for individuals rather than registered charities;
 - benefit charities with the sole purpose of providing support to a named individual or a named family;
 - influence legislation or involve electing candidates to public office;
 - involve religious programs of churches, temples, mosques, or other sectarian organizations;
 - are programs offered by clubs, fraternities/sororities, or membership associations; or
 - involvement in schools for attendance at social or sporting events.


Vice President, Human Resources

7/30/13
Date

NEW YORK POWER AUTHORITY

EP: 3.6

EMPLOYEE POLICY

REVISION: 10

DATE: 12/18/2012

PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

EDUCATIONAL ASSISTANCE PROGRAM

Purpose

- 1.1 The Authority is committed to helping its salaried employees pursue professional growth and development and encourages the use of the Educational Assistance Program for courses leading to an undergraduate or graduate degree or a certificate program that is of mutual benefit to employees and the Authority.

Eligibility

- 2.1 The Educational Assistance Program is available to full-time or part-time salaried Authority employees and transitional employees, who maintain a performance rating of "achieved expectations" or better. Generally, employees who receive a performance rating of "partially achieved" or "did not meet expectations" are not eligible to receive benefits under this program. (However, there may be instances when supervisors determine that the overall performance of employees with a rating of "partially achieved expectations" may have sufficiently improved to allow them to receive benefits under this program (see section 8.4 for additional details). Provisional and temporary employees, including cooperative employees and developmental interns, are not eligible for the Educational Assistance Program. (See EP: 3.1, Salaried Employees' Eligibility for Benefits, for definitions of employee categories.)
- 2.2 Eligibility for the Educational Assistance Program ends upon termination or separation from employment as a NYPA employee. Courses started prior to an employee's employment date or while on a leave, or courses that are completed after an employee's termination or separation from employment, are not eligible for reimbursement (see section 3.1 and 8.5 for additional details). Courses started prior to an approved FMLA medical leave are eligible for reimbursement at the discretion of an employee's immediate supervisor (see section 8.5 for additional details).
- 2.3 School attendance will be at times other than an employee's normal working hours.

Reimbursement to the Authority

- 3.1 All benefits under this Policy are contingent upon the employee's continued employment with the Authority for a continuous period of at least one year for undergraduate degree programs and two years for graduate programs, such period to begin from the employee's last payment towards a degree or certificate program either in process or earned. If the employee leaves NYPA's employment before the end of the commitment period (for a reason

other than a reduction in force), the employee agrees to repay in full all monies expended by NYPA on behalf of the employee in connection with the applicable degree program.

Eligible Institutions and Programs

- 4.1 In order to be covered by the Educational Assistance Program, the degree or certificate program must be obtained from a regionally accredited educational institution. On-line or distance educational course work (course work taken via the internet) from a regionally accredited educational institution may be reimbursable pending review and approval by an employee's immediate supervisor or Department Head/Business Unit Head or Regional Managers at the facilities, Business Group Head and Corporate Human Resources. Fees for proficiency examinations (CLEP for example) are reimbursable only if employees pass the examination and college credit is granted. Fees for review courses are reimbursable only if the course is completed in full and employees obtain a completion certificate. (Employees will be reimbursed for the same or similar review course only once.) A certificate program means an advanced program sponsored by a college or university leading to the award of a specialized certificate. It does not include stand-alone courses such as Dale Carnegie and others. Courses that are not part of a degree or certificate program are not covered by the Educational Assistance Program. The costs for approved courses are covered by individual Business Unit budgets.

Approval

- 5.1 At Headquarters (WPO, Albany Office), the degree or certificate program must first be approved by an employee's immediate supervisor, the Business Unit/Department Head and the Business Group head in accordance with this policy. Approved requests should be forwarded to Human Resources for final determination of eligibility for the Educational Assistance Program. At all other facilities, the degree or certificate program must be approved by an employee's Department Head and Regional Manager in accordance with this policy. Approved requests should be forwarded to site Human Resources for final determination of eligibility for the Educational Assistance Program.
- 5.2 Approval for educational assistance is contingent upon a careful review that the degree or certificate program supports or improves skills required for (1) the employee's current position or (2) a potential future assignment with the Authority. The degree or certificate program should also be in line with the employee's NYPA career development objectives. Supervisors who approve an educational assistance program application should include the skills the employee will learn in the degree or certificate program in the Developmental Plan section of the employee's Performance Plus Document ("PPD"), and measure the application of those skills on the job in the Performance Assessment Summary section of the employee's PPD.
- 5.3 If the degree or certificate program is aimed at a new career field, there must be a reasonable expectation that job opportunities will exist in the new field within the Authority, and that

the employee will qualify for those opportunities. A reasonable expectation, however, is not a guarantee that a position will be available at the time the degree or certificate program is completed. Therefore, reimbursement for tuition and fees will be at half the financial level of reimbursement for undergraduate degrees. At Headquarters, the Business Group Head where this expected opportunity will exist is also required to approve the proposed degree or certificate program. At all other sites, the Regional Manager where this expected opportunity will exist and Human Resources will be required to approve the proposed degree or certificate program.

Reimbursement for Expenses

- 6.1 Employees are responsible for payment of tuition and eligible required fees when registering for courses at eligible institutions. Tuition and eligible fees will be reimbursed only after successful completion of the course(s) at a minimum grade level of "C" or its equivalent or a "P" in a pass/fail course (limited to two courses per degree curriculum) and provided employees are employed by NYPA at the time the course is completed. If requested, Human Resources will provide a school with verification of an employee's eligibility for the program. For employees that are approved for Educational Assistance after September 1, 2012, reimbursements are limited to one reimbursement per season. Seasons are defined as Spring, Summer I, Summer II, Fall and Winter.
- 6.2 For undergraduate courses, the Authority will reimburse 100% of tuition, books, lab and computer fees, and mandatory course registration fees up to a maximum reimbursement of \$2,000 per season (as defined above). For undergraduate or graduate courses aimed at a new career field, the Authority will reimburse 100% of tuition, books, lab and computer fees, and mandatory course registration fees up to a maximum reimbursement of \$1,000 per season.
- 6.3 For graduate courses related to an employee's current career field, the Authority will reimburse 100% of tuition, books, lab and computer fees, mandatory course registration fees, and thesis/dissertation supplies up to a maximum benefit of \$3,000 per season.
- 6.4 Ancillary fees that may be required by the educational institution (either mandatory or optional), including but not limited to fees for application, late registration, student activities, health care services, student licensing, matriculation, graduation or diploma are not reimbursable. Parking fees are not reimbursable. Applications for non-routine items not mentioned in this paragraph must be submitted to Human Resources for consideration.

Initial Application Process

- 7.1 Employees must submit an initial Application for Educational Assistance to their immediate supervisor at least 30 days before the registration period. The application must include a copy of the degree or certificate program curriculum. Applications for review courses must be accompanied by a description of the course. Late applications, if accompanied by a written

explanation, will be considered on a case-by-case basis. Updated course curriculum may be requested on occasion.

- 7.2 At Headquarters, an employee's immediate supervisor, Business Unit/Department Head and Business Group Head must approve a request for educational assistance. Approved requests should be forwarded to Human Resources for final determination of an employee's eligibility for the program at least two weeks prior to registration. At the sites, Department Heads and Regional Managers must approve an employee's educational assistance requests. Approved requests should be forwarded to the local Human Resources Department for final determination of an employee's eligibility for the program at least two weeks prior to registration. Rejected requests will be returned with the reason for disapproval.
- 7.3 If an employee transfers to a new degree or certificate program or school, or transfers to a new Business Unit/Department within the Authority, a new Application for Educational Assistance must be approved.

Reimbursement Process

- 8.1 If the degree or certificate program is approved, in order to receive reimbursement, a completed Educational Assistance Program Request for Reimbursement Form must be submitted to Human Resources, along with the following items, no later than thirty (30) working days following receipt of evidence of satisfactory course completion:
- an itemized bursar's receipt for tuition and eligible fees paid;
 - a grade report, official transcript or certification of completion of the course(s) documenting a grade of "C" or better, or a "P" in a pass/fail course(s);
 - a sales receipt with book titles and prices itemized by the bookstore;
 - original documentation indicating completion of a review course, if applicable;
 - original documentation from school itemizing necessary supplies for a graduate level thesis/dissertation and an original sales receipt for the supplies, if applicable;
 - copy of degree after completion of course curriculum.
- 8.2 Employees who receive financial aid, such as a scholarship, grant or reimbursement from any alternate source must report it and the amount on the Educational Assistance Program Request for Reimbursement Form. This amount will be deducted before computing the allowable reimbursement. Employees who fail to report amounts of financial aid or any other type of reimbursement on the reimbursement form, will be liable for return of the reimbursement award, and face possible exclusion from future Educational Assistance Program eligibility. Any falsification or misrepresentation of information will result in the denial of educational assistance.
- 8.3 If approved, employees will receive their reimbursement in a subsequent paycheck. Original documents will not be returned.

- 8.4 Generally, employees are not eligible for reimbursement for courses started after they receive a performance rating of "partially achieved expectations" or "did not meet expectations". Courses started prior to receiving a rating of "partially achieved expectations" or "did not meet expectations" will be reimbursed. Employees will be eligible for reimbursement once again for courses started after they achieve and maintain a performance rating of at least "achieved expectations" or in instances when supervisors determine that the performance of employees with a rating of "partially achieved expectations" has sufficiently improved.
- 8.5 Courses started prior to an employee's employment date, or while on a non-FMLA medical leave or a personal leave without pay, are not eligible for reimbursement. Courses that are completed after an employee's termination, or while on a non-FMLA medical leave or personal leave without pay, are not eligible for reimbursement.
- 8.6 Courses started prior to an approved FMLA medical leave are eligible for reimbursement at the discretion of an employee's immediate supervisor. Courses started during an approved FMLA medical leave are not eligible for reimbursement.

Tax Consequences

- 9.1 For undergraduate and graduate level courses, the IRS allows the first \$5,250 in employer-provided educational assistance in a calendar year to be considered as non-taxable income. Educational assistance above \$5,250 per year may qualify for "favorable tax treatment" as a working condition fringe benefit, as defined in IRS Publication 15-B Employer's Tax Guide to Fringe Benefits. Requests for favorable tax treatment will be forwarded to the Law Department and when necessary, will confer with the Accounting Department to determine if the educational assistance qualifies for exclusion as a working condition benefit.
- 9.2 While the Authority may initially determine that an employee's educational assistance reimbursement is not taxable income, the Internal Revenue Service's decision is controlling in such circumstances and the Authority disclaims any responsibility for additional taxes, assessments, fines, or penalties imposed by the IRS. Employees are advised to consult with their own qualified tax professional, if they have tax questions.


Vice President, Human Resources

1/24/13
Date

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PLEASE REFER TO THE PORTION OF THE HUMAN RESOURCES POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

RELOCATION BENEFITS FOR NEW AND TRANSFERRED EMPLOYEES

- 1.1 This policy applies to those employees who have been offered relocation benefits by the Director of Compensation and Benefits or his/her designee or the Facility Manager of Human Resources (for site employees). Relocation benefits may be provided to eligible employees based on the Recruiting Location Guidelines (Attachment 1) utilized by Human Resources. Relocation benefits may be offered to an employee who: (1) meets the IRS distance test described below and other criteria as specified in IRS Publication 521- Moving Expenses, (2) meets all other criteria within EP 3.8, and (3) is either:

- (a) a full-time, salaried employee or union employee (other than a temporary or provisional employee) who meets all other criteria and is transferring to an exempt salaried position at the request of the Authority (no minimum grade required), or who applies for a posted exempt salaried position and is hired from one Authority facility to another, for a period that is expected to last one year or longer;
- (b) newly hired from outside the Authority as an exempt, full-time, salaried employee (other than a temporary or provisional employee) at any Authority location for a period that is expected to last one year or longer;
- (c) a provisional employee who is offered full-time exempt salaried employment with the Authority, with benefits subject to certain limitations (see 6.1).

Please contact the Corporate Controller's group regarding assignments of less than one year. The Corporate Controller's group provides the most up-to-date information regarding per diem rates and associated issues.

- 1.2 This policy shall be applicable only if relocation benefits are extended by the Director of Compensation and Benefits or his/her designee or the Facility Manager of Human Resources at the facilities to the transferred employee at the time the transfer is formally approved or authorized by the Human Resources Department, or to the new employee at the time an official offer of employment is extended by an Employment Administrator in the White Plains Office or the Facility Manager of Human Resources at the facilities.
- 1.3 The Director of Compensation and Benefits or his/her designee shall have sole discretion in determining whether an employee or new hire otherwise meeting the requirements specified herein may be offered relocation benefits.
- 1.4 If relocation benefits are offered to a newly hired employee, the policy shall be distributed and explained to the employee at the time the offer of employment is officially extended by an Employment Administrator or the Facility Manager of Human Resources at the facilities.

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- 1.5 If relocation benefits are offered to a transferring employee, the policy shall be distributed to and fully explained to the employee by the respective Site Human Resources Representative or the Director of Compensation and Benefits or his/her designee in the White Plains Office. This should be done for employees who are contemplating a transfer from one site to another **before** the offer is accepted. A transferred employee has the option of choosing either the Relocation Benefits as outlined in this policy or a \$12,000.00 stipend, grossed up for tax purposes. If Relocation Benefits are being offered, the staffing authorization for a transferee or a new hire must include this information. **If a transferred employee chooses the Relocation Benefits outlined in this policy and owns a house, appraisals must be conducted prior to the transfer being accepted.** The average of two appraisals will be used to determine the fair market value of the property. In the event that the two appraisals vary by more than 10%, a third appraisal may be conducted at the request of the transferring employee and the three appraisals will then be used to determine the average anticipated sale price of the property. These appraisals will be coordinated by the Director of Compensation and Benefits or his/her designee.
- 1.6 A new employee has the option of choosing either the Relocation Benefits outlined in this policy or a \$12,000.00 stipend. If the new hire chooses the stipend option, the above mentioned gross-up is **not** applicable, and the lump-sum will be taxed.

IRS Distance Test

- 2.1 According to the IRS Distance Test, the new main job location must be at least 50 miles further from the employee's former home than his/her prior job location. For example, if the prior work or job assignment was three miles from the employee's former home, the new work or job assignment must be at least 53 miles from the former home. If the IRS should change this distance test, the one in effect at the time of relocation shall apply.
- a) In determining whether or not a relocation candidate meets the IRS distance requirement, the Rand McNally Standard Highway Mileage Guide, and/or the American Automobile Association, and/or reputable online mapping resources will be consulted.
 - b) The distance between two points is the shortest of the more commonly traveled routes between those points. The distance test does not apply to the location of the new home.
 - c) In determining whether a provisional employee who is offered employment on a full-time basis meets the distance requirement for the purposes of this policy, NYPA will treat prior job location for purposes of the distance test as the job prior to the NYPA provisional assignment.
- 2.2 In determining if an employee is in compliance with the distance test NYPA does not determine and is not responsible for tax implications. The relocating employee is advised to consult with his/her own tax advisor.

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Financial Controls & Tax Implications

- 3.1 This policy must be applied with attention to the most cost-effective and economic means. Therefore, only those expenses incurred in accordance with the Authority's guidelines and procedures which are in the opinion of the Corporate Human Resources Department to be reasonable and cost effective, will be reimbursed under this policy.

Note:

- a) The Authority does not reimburse any New York State sales tax. To avoid being charged New York State sales tax the relocating employee should submit a State of New York Exemption Certificate to the vendor. Exemption Certificates are available from the WPO Benefits Department, Facility Manager of Human Resources, or the Corporate Travel Department. (It is the responsibility of the relocating employee to obtain and utilize the Exemption Certificate).
 - b) The employee is eligible for up to two days off with pay to conduct the move of his/her household goods. Paid time off must receive prior approval of the employee's immediate supervisor.
 - c) Reimbursement for covered expenses is limited to the first **six months** of employment or transfer from one Authority facility to another.
- 3.2 Expenses reimbursed under this policy are includible in an employee's gross income. An employee may be able to offset some or all of the expenses reimbursed under this policy by itemizing his/her moving expense deductions. **The employee is advised to consult his/her own tax advisor.**
- 3.3 If the employee is responsible for any tax liability associated with the relocation, the tax liability is outlined in IRS Publication 521 - Moving Expenses, which is provided to the eligible employee along with the Policy. The Authority will withhold taxes on all amounts reimbursed under this policy in accordance with the Internal Revenue Code and IRS regulations and Authority Accounting Procedure AP 85-01, Employee Relocation Expense Reimbursements.
- 3.4 If any reimbursements for transferred employees under this policy are considered taxable income, such reimbursements shall be subject to an appropriate gross-up to provide compensation for the employees' additional local, state and federal tax obligations.
- 3.5 The newly hired employee shall be solely responsible for all taxes payable on the amounts received pursuant to this policy and the Authority shall not provide additional compensation for any such tax liability in the form of a gross up, indemnity, or otherwise. **The employee is advised to consult his/her own tax advisor.**

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Exceptions

- 4.1 The Authority recognizes that extenuating circumstances may necessitate a deviation from this policy. A deviation will be deemed an exception to the policy. For an exception to be considered, detailed written justification as to the need, as well as an indication of which comparably valued reimbursable expense(s) the employee is willing to surrender to offset the cost of the exception, is required. If the employee is not willing to surrender a reimbursable expense(s) of comparable value, the exception will be denied.
- 4.2 The justification/expense-offset indication must be sent to the Director of Compensation and Benefits or his/her designee in the White Plains Office for review; it will then be determined whether the request for exception is approved or denied. **Exceptions above and beyond the provided benefits under policy 3.8 will be charged to the department to which the employee is being hired/transferred.**
- 4.3 Any exception to this policy, other than outlined in sections 4.1 and 4.2, will require detailed written justification as to the business need. The justification must be sent to the Director of Compensation and Benefits in the White Plains Office for review and recommendation to the Human Resources Department Head or his/her designee who determines whether the request for exception is approved or denied.

The following items as described below may be reimbursed under this policy:

House Hunting

- 5.1 Reimbursable house hunting trips must not exceed three trips or a maximum of six days of house hunting (three trips maximum, i.e., three two-day trips or two three-day trips).
- 5.2 Transferred employees must conduct house-hunting trips within the first three months of the employees' transfer date to the new position. The transferred employee will be granted up to three days off with pay for house hunting to locate a new residence. Scheduling of these paid days off is subject to prior approval of the employee's supervisor.
- 5.3 New employees must conduct house-hunting trips within the first three months of employment with the Authority. House hunting trips must be conducted on the new employee's own time.
- 5.4 Air or train travel reimbursement for house hunting must be approved by the Director of Compensation and Benefits or his/her designee at headquarters or the Facility Manager of Human Resources with concurrence from the Director of Compensation and Benefits prior to incurring the expense.
- 5.5 **To obtain the best possible lodging and transportation rates for house hunting trips, the employee must make all travel arrangements through the Authority's Travel Department. If the Travel Department is not used, the employee will not be reimbursed.**

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- 5.6 Arrangements with the Travel Department for lodging and transportation during the house hunting trips are the responsibility of the employee unless other arrangements are made with the Benefits Representative in the White Plains Office or the Facility Manager of Human Resources. During house hunting, occupation of more than one hotel room must be approved by the Benefits Representative prior to incurring expenses.
- 5.7 An employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for the following reasonable travel and living expenses which may be incurred by the employee and spouse during the search for a new residence near the facility:
- a) Travel by personal car at the Authority established rate per mile which includes the mileage traveled to and from the area of the new work site, or in connection with authorized air or train travel to and from the airport/station; **use of a rental vehicle for house hunting will be applied towards the employee's miscellaneous expense allowance.**
 - b) Fees for tolls and parking expenses incurred in connection with house hunting and travel by personal car, or in connection with authorized air or train travel to and from the airport/station;
 - c) Travel by air or train with prior approval provided that reservations are made through the Authority's Travel Department to obtain the best possible fare.
 - d) Reasonable meal expenses for breakfast, lunch and dinner, for the employee and his/her spouse may be reimbursed (providing house hunting does not take place during the interim living period); and must not exceed the daily maximum allowance as specified in the Corporate Accounting Policy (1.5).
 - e) Reasonable lodging expenses. The Authority issued AMEX charge card should be used for this expense. If the employee does not have an Authority issued AMEX charge card, a personal credit card may be used.

Interim Living Expenses

- 6.1 Reimbursement for interim living expenses will be provided for the employee who has been transferred or begun new employment and must live in temporary lodging at the new location. Interim living expenses should begin as close to the employees start date as possible. **Provisional employees who are hired on a full-time basis are not entitled to interim living expenses as detailed in 6.1 – 6.7.**

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- 6.2 Interim living expenses will be reimbursed to the employee for a maximum of three months, which should be taken during the first six months of employment or transfer from one Authority facility to another. Any day in which the employee submits living expenses during their move to the new residence or when moving their household goods, will be included in the three month maximum if the move is conducted within the Interim Living period. Any expenses incurred for moving to the new residence and/or movement of household goods beyond the six-month maximum time period will not be reimbursed.
- 6.3 A lump sum gross amount of \$3,250 per month downstate (WPO and POL) and \$2,500 per month upstate (B-G, CEC, NIA, and STL) will be provided for employee's interim living expenses. An employee will be reimbursed this lump sum amount by submitting a Relocation Expense Statement at the end of each month. No receipts are required; however, in the Explanation section on the Relocation Expense Statement the period of time for which reimbursement is being requested must be indicated. Expenses for a partial month will be pro-rated. Interim living expenses will not be paid for time beyond the earlier date of delivery of household goods or occupying the new home. Under no circumstances will interim living expenses exceed three months.
- 6.4 It is the responsibility of the employee to make any interim living and transportation arrangements.
- 6.5 Travel, tolls, and parking expenses incurred during the commute to and from work during the interim living period are at the employee's own expense.
- 6.6 The following will be covered by the appropriate monthly lump sum:
- a) Charge for a hotel or rental fees;
 - b) Charge for laundry;
 - c) Charges for local and long distance telephone calls;
 - d) Expenses for meals.
- 6.7 The employee may be reimbursed for trips home every other weekend or holidays when the family still resides at the former residence. If the employee elects to make a trip home by personal car, mileage will be reimbursed in accordance with the Authority's Travel Policy, CP: 2.1. If the employee elects to travel home by air or train, the fare, which must be arranged by the Authority's Travel Department, and parking and tolls connected with the travel will be reimbursed. Reimbursement will not be made beyond the three-month interim living period.

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Moving to New Residence

7.1 The employee will be reimbursed when itemized receipts are furnished through the use of a Relocation Expense Statement for the following covered expenses for the employee and his/her family which may be incurred during the actual move from the time the old residence is vacated until the arrival at the new residence. Actual dates of vacating the old residence and arrival at the new residence, should be clearly indicated on the Relocation Expense Statement:

- a) The reasonable charge for meals. There is a daily maximum allowance specified in the Corporate Accounting Policy (1.5). Meals submitted under the relocation policy as a qualified expense, or if a lump-sum or stipend is provided to the employee, may not be reimbursed as a business expense under any other Authority policy.
- b) The reasonable charge for a hotel room. Hotel rates **must** be discussed with the Benefits Representative in the White Plains Office or the Facility Manager of Human Resources for approval prior to incurring expenses. While moving to the new location, occupancy of more than one room per family **must** be approved by the Benefits Representative in the White Plains Office prior to incurring expenses;
- c) Travel for up to two personal vehicles at the Authority established rate per mile while traveling from the old residence to the new residence. In no instance will mileage for travel of more than two personal vehicles be paid by the Authority; The Authority does not reimburse for transport of vehicles by commercial van line.
- d) Tolls for a maximum of two personal vehicles;
- e) Any day used for moving to the new residence will be included in the three months allocated for interim living.

Movement of Household Goods

- 8.1 The employee may elect to have his or her household goods moved from the old residence to the new residence either by a commercial van line or through a self-move using a rental vehicle.
- 8.2 If a commercial van line is used, the employee must use the services of one of the current moving companies with whom the Authority has contracted. A moving company will be assigned on a rotational basis.
- 8.3 Shipment of household goods by a commercial van line will be limited to the move from the location of the former primary residence to the location of the new primary residence.

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8.4 The following items will be covered expenses which may be incurred in a commercial van line move:

1. linehaul charges;
2. insurance charges - declared value;
3. cost of containers;
4. charges for packing and basic unpacking;
5. shipment of appliances and servicing; (third party fees - services provided by an individual or company other than the assigned moving company will not be reimbursed).

8.5 The following items are **not** covered in a commercial van line move:

1. extra pick-up/delivery;
2. automobiles, boats, or any other recreational or lawn vehicles
3. frozen food, and/or perishable goods;
4. swing sets, pool tables, lumber/building materials, or any other cumbersome items;
5. storage and associated costs;
6. crates and/or crating charges.

Movement of any other unusual, cumbersome or dangerous items will be subject to prior approval by the Benefits Representative in the White Plains Office with concurrence from the Director of Compensation and Benefits.

8.6 The employee who elects a self-move may be reimbursed for the following items through use of a Relocation Expense Statement when itemized receipts are furnished:

1. rental of the vehicle;
2. cost of containers and equipment for packing;
3. insurance coverage;
4. rental of a tow bar for a personal vehicle;
5. gas used during rental of a vehicle;
6. servicing of appliances.

8.7 In no event will an employee be reimbursed for any labor involved during the course of a self-move, (i.e., to help load the vehicle).

Miscellaneous Relocation Expenses

9.1 Employees will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for miscellaneous expenses which may be incurred by the employee when relocating to the new location that are not otherwise listed as covered expenses in this policy, not to exceed \$1,500 for new hires or \$1,800 for transferees.

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9.2 Proof of payment will be required in order to be reimbursed for these expenses (i.e., cancelled check and invoice).

9.3 Items that would be reimbursed may include, but are not limited to:

- a) Expenses incurred for disconnecting and reconnecting of appliances, if done by a third party and separate from commercial van line charges;
- b) Installation charge for telephone service at new residence;
- c) Rental car expenses during house hunting, including gasoline for the rental car only in cases where the employee travels by air or train to the new location, or a personal vehicle is unavailable;
- d) Child care expenses necessary to permit employee and spouse to search for a new residence. Childcare will be covered up to \$7.00 per hour or \$350.00 per week for in-home care for all of the employee's children. Childcare arrangements such as day care centers, family day care and live in arrangements must be discussed with the Benefits Representative in the White Plains Office or the Facility Manager of Human Resources;
- e) Installation charge for television/internet/cable connection which was installed in the employee's previous residence. Proof of telephone/cable/internet connection in employee's previous residence and new residence in the form of recent invoices must be provided;
- f) Fees for kennel or shipment of pets; and

9.4 See Attachment 2 for additional reimbursable expenses for transferred employees.

Reimbursement to the Authority

All benefits provided under this Policy are contingent upon the employee's continued employment with the Authority for a continuous period of at least one year from the employee's start date at the new Authority location. If the employee separates from service voluntarily prior to completion of such one-year period, he/she shall reimburse the Authority for a portion of all benefits (including any gross-up if applicable) paid under this policy in the following manner: (1) 75% of the total benefits (including any gross-up if applicable) provided if separation occurs within six months of the employee's start date at the new Authority location; (2) 50% of the total benefits (including any gross-up if applicable) provided if separation occurs on or after six months but prior to the completion of the one-year period.

10.1 In determining the portion of benefits which must be reimbursed by the employee under this policy, the one-year period shall be calculated from the first day of work at the new location.

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- 10.2 In the event that a reimbursement is due and owing to the Authority under this policy, the Authority shall deduct such amount from monies which would otherwise be payable by the Authority to the employee until the required reimbursement is satisfied. This shall be accomplished via payroll deduction from monies which would otherwise be due the employee in the following order: first, payments allocable to unused vacation time; second, payment for services rendered. If such deductions are insufficient to satisfy the reimbursement due hereunder, the employee shall provide the Authority with a certified check for the balance prior to his/her last day of employment.
- 10.3 Prior to the receipt of any relocation monies available under this policy, an employee shall indicate his/her affirmative consent to the reimbursement procedures specified in this policy by signing the Relocation Reimbursement Option Certification (Attachment 3).



Vice President Human Resources

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ATTACHMENT 1

RECRUITING LOCATION GUIDELINES FOR RELOCATION

The recruiting process limits the location of the search for different positions which therefore limits the availability of relocation benefits. All non-exempt positions and any position that falls outside of the following recruitment guidelines are ineligible for relocation benefits.

Eligible Positions for Relocation Benefits:

East of the Mississippi:

Exempt positions (non-engineering): grades 4-6, grades C-D, and leadership bands

Engineering and positions related to the generation and transmission of power: grades 2-6, grades C-D, and leadership bands

Nationwide:

Exempt (non-engineering) positions: leadership bands only

Engineering and positions related to the generation and transmission of power: grade D and leadership bands

ADDITIONAL REIMBURSABLE EXPENSES
FOR EMPLOYEES **TRANSFERRED**
FROM ONE AUTHORITY LOCATION TO ANOTHER

1.0 Sale of Residence at Former Location

- a) The transferred employee will be reimbursed through the use of a Relocation Expense Statement, with itemized receipts and a copy of the signed Settlement Statement (HUD Form), for the following expenses which may be incurred during the sale of his/her residence at the former location:

- 1) Real estate broker's commission not to exceed six percent of the gross selling price;
- 2) Personal attorney's fees not to exceed one percent of the selling price.

Additionally the transferred employee will receive up to a maximum of 5% of the gross selling price to cover the following expenses:

- 3) FHA, VA, and GI mortgage fees which are paid on the old residence. Reimbursement up to a maximum of three points;
- 4) Appraisal fee on former residence when appraiser is certified, whether or not transfer is accepted by employee;
- 5) Property survey fee, if this is a seller's expense in an amount as dictated by locale;
- 6) Lender's legal fees for preparing and recording legal documents and searching the title, if this is a seller's expense in an amount as dictated by the locale;
- 7) Unavoidable prepayment penalty fees on mortgage;
- 8) State transfer tax;
- 9) Records mortgage satisfaction and mortgage pick-up fees paid to the title company; and
- 10) Radon testing and resultant modifications required to sell old residence, not to exceed \$500.00 when proper documentation has been provided indicating that property is located in radon area.

2.0 Renting at Former Location

- a) A penalty for cancellation of the lease not to exceed security deposit and two months' rent less any amount earned by subleasing will be reimbursed when itemized receipts are furnished, accompanied by a complete Relocation Expense Statement;
- b) Forfeiture of security deposit as the result of damages to the residence is not covered.

3.0 Purchase of Residence at New Location

- 3.1 If the transferred employee was renting at former location, he/she will not be reimbursed for expenses which may be incurred if he/she chooses to purchase a residence at new location.
- 3.2 The transferred employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts and a copy of the signed Settlement Statement for the following expenses which may be incurred when purchasing a residence at the new location;
- a) Personal attorney's fees not to exceed one percent of the purchase price;
 - b) Closing costs not to exceed five percent of the purchase price which have been incurred for:
 - 1. lender's legal fees for preparing and recording legal documents and searching the title, if this is a purchaser's expense in an amount as dictated by the locale;
 - 2. loan origination fees - one point maximum;
 - 3. pre-purchase appraisal fees;
 - 4. inspection fees (radon, pest and flood only - not structural);
 - 5. lender's mortgage title insurance premium; (if not broken out by lender's/owner's premium, no amount will be reimbursed);
 - 6. credit report;
 - 7. application fee;
 - 8. property survey fee, if this is a purchaser's expense in an amount as dictated by locale;
 - 9. real estate taxes (escrow for those taxes are not reimbursed) state tax stamps only;
 - 10. lump sum mortgage insurance premium - private mortgage insurance premium (PMI) will not be reimbursed; and
 - 11. points - not to exceed three (this includes one point for origination fees).

4.0 Renting at New Location

The transferred employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for real estate broker's fees in connection with the rental of an apartment or house, not to exceed ten percent of the first year's rent.

Relocation Reimbursement Option Certification

I, _____, hereby choose to receive:

☐ Relocation Expense (as outlined in Relocation Policy EP 3.8)

or

☐ A \$12,000.00 stipend in lieu of the relocation benefits available under the New York Power Authority's ("Authority") Relocation Policy, EP 3.8. In doing this I relinquish all relocation benefits that I would otherwise be eligible for as a newly hired or transferred employee.

☐ Taxable lump-sum

☐ Net stipend (for **Transferred** employees only)

I also agree that I will provide reimbursement to the Authority according to the schedule listed below if I voluntarily separate employment prior to completion of one year of service at the Authority.

1. I will reimburse the Authority 75% of the total benefit received, provided separation occurs within six months of my start/transfer date to the new Authority location.
2. I will reimburse the Authority 50% of the total benefit received, provided separation occurs on or after six months, but prior to the completion of one year beginning from my start/transfer date to the new Authority location.

In the event that my employment should terminate involuntarily, I understand that the above mentioned reimbursement will not be required.

I further authorize the Authority to deduct any such reimbursement due and owing to the Authority from such amounts as may otherwise be payable to me until full reimbursement is made to the Authority. Specifically, I hereby authorize payroll deduction first from any and all monies attributable to unused vacation time and second, if required, from compensation for services rendered.

If the above amounts provide insufficient to cover the entire reimbursement due and owing to the Authority, I hereby agree to provide the Authority with a certified check or money order for the balance prior to my last day of employment.

I acknowledge that this certification is **not** an employment contract and will not be construed or interpreted by me as containing any guarantee of continued employment. I recognize that my employment with the Authority shall be at-will and that the Authority may terminate my employment at any time and for any reason. I may also terminate my employment at any time and for any reason.

Signature Date Sworn to before me on the _____ day of _____

Print Name

Received by HR (Initial and Date)

NEW YORK POWER AUTHORITY

EMPLOYEE POLICY

EP: 3.9
REVISION: 3
DATE: 8/5/2014

PLEASE REFER TO THE PORTION OF THE EMPLOYEE POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT, WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

SICK LEAVE

- 1.1 This policy provides guidelines for the accrual and use of sick leave credits, sick leave at half-pay and long-term disability for salaried employees.

Sick Leave Accrual

- 2.1 Full-time salaried employees accrue sick time as follows:
- a) 3.46 hours per pay period if on a 37.5 hour work week
 - b) 3.69 hours per pay period if on a 40 hour work week
- 2.2 Part-time salaried Authority employees (working 20 or more hours per week, but less than full-time weekly work hours) and provisional employees that work less than full-time (working at least 30 hours or more per week) accrue sick leave on a prorated basis based on the number of hours the employee is scheduled to work.
- 2.3 There is no maximum on the amount of sick leave credits that may be carried over from one year to another.
- 2.4 Sick time only accrues when an employee is on full-pay status. Accruals resume when the employee returns to full pay status.
- 2.5 In the event of an active employee's death, payment for accrued and unused sick leave, up to a maximum of 100 days, will be paid to the beneficiary designated by the employee for their NYPA life insurance. If no beneficiary is designated, or the designated beneficiary pre-deceases the employee, payment will be made as allowed by law.
- 2.6 Sick leave may be paid out to employees who retire with the New York State Retirement System directly upon separation of service from the Authority (see the Employee Benefits Handbook).

Sick Leave Usage

- 3.1 Sick time shall only be used for an employee's illnesses or injuries, or that of family members as specified in Section 3.4 below, and not substituted for any other type of absences.
- 3.2 Employees who are absent from work due to their own illness or injury (or that of eligible family members under Section 3.4), must notify their supervisor of such absence as soon as practicable, and keep the supervisor informed as to their expected date of return. Accrued sick leave may only be used in full or half-day increments.

- 3.3 Full or half-day absences (including reasonable travel and actual visit time) for trips to a health care provider will require use of sick leave credits, and prior approval of an employee's supervisor when foreseeable. However, supervisors may, with advanced approval, allow employees to take less than half-days off with flexible scheduling allowing employees to make up time by working extra hours on other days during the same workweek. Supervisors may also grant employees time off without using accrued sick leave if the absence is so brief that it does not affect the employee's work or performance.
- 3.4 Employees may use up to 10 sick days per calendar year to care for the medical needs of their sick children, spouse, parent (not parent-in-law), or domestic partner who has satisfied NYPA's Domestic Partner Benefits eligibility (even if not subscribed to NYPA Domestic Partner medical benefits). These days may also be used for caring for a wife or domestic partner recovering from routine childbirth.
- 3.5 An employee may not use more than five (5) consecutive or closely occurring intermittent business days due to their own "serious health condition," or that of their relatives listed in Section 3.4, without applying for and if approved having the leave designated under the Family Medical Leave Act ("FMLA") leave (See EP: 3.3). When the absences exceed this five (5) day period for a "serious health condition," the employee should provide notification to Human Resources, at which point the FMLA process will be initiated for eligible employees.
- 3.6 The Authority may require written medical documentation of an illness or injury, and/or that the employee be examined by a physician designated by the Authority before approving the use of any sick leave and/or prior to the employee's return to work. In addition, supervisors may request a doctor's note to confirm/verify a medical appointment on a given day and time.
- 3.7 Supervisors are responsible for monitoring sick leave usage for appropriateness, accuracy, and adherence to Employee Policies, and for remaining informed of employees' available sick and vacation balances when approving time off. Excessive and/or questionable patterns of absenteeism, frequency of requests for full or partial sick days, or low or zero balances should signal the need for further review or action which may take several courses [i.e.: need for Family Medical Leave Act ("FMLA"), performance issue, etc.] to prevent abuse of this benefit.
- 3.8 An employee's use of accrued sick leave is approved by his/her supervisor when the supervisor approves the employee's timesheet or electronic time record. If there are false time sheets or electronic time records of an employee's time and attendance, the employee (and depending on the circumstances, the supervisor who is responsible for approving such time) will be held accountable.

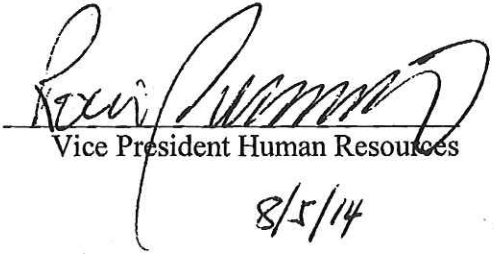
Sick Leave at Half-Pay

- 4.1 Employees who have completed one or more years of Authority service, are eligible for sick leave at half-pay during an approved Employee Medical Leave ("EML") under the FMLA when they do not have, or have exhausted, sufficient accumulated sick leave credits to cover their FMLA leave. For part-time or provisional employees that are less than full-time and on EML, sick leave at half-pay will be paid on a prorated basis based on their weekly work schedule.
- 4.2 The cumulative total of all sick leave at half-pay shall not exceed two pay periods (four weeks) for each completed year of service. However, vacation leave may be used to complete a full year of service for sick leave at half-pay purposes if it used before sick leave is exhausted. This use of vacation time does not extend any job security or FMLA time periods.
- 4.3 Sick leave at half-pay will be paid retroactively from the first day an eligible employee is without sick leave credits through either the end of their EML or earlier through the exhaustion of the half-pay benefit, or due to the circumstances described in Section 4.6 below.
- 4.4 Upon request, and with the approval of the local Human Resources Benefits Group, sick leave at half pay may be allowed to minimally exceed the 12 workweek FMLA entitlement period in those limited unique situations where there is a small gap of time between the end of the maximum sick leave at half pay benefit and the beginning of the LTD eligibility period.
- 4.5 Sick leave at half pay will be replenished a) if an employee has returned to work from an EML for at least 30 calendar days and then needs to go out again for that same illness or injury, or b) without regard to timing, if an employee has returned to work from an EML and then needs to go out again for a different illness or injury. However, in no event will the replenishment of sick leave at half-pay extend any job security or FMLA time periods.
- 4.6 If an employee who has already been on an approved FMLA leave other than an EML, returns to work and then goes back out for their own illness or injury on an approved EML within the same FMLA yearly period, the employee will only be eligible to receive sick leave at half-pay for the remaining FMLA time period (even if the employee's own medical needs extend beyond the total 12-week FMLA entitlement). See EP: 3.3.
- 4.7 All payroll deductions will continue to be made regardless of whether an employee on sick leave is being paid on a full or half-pay status. Any questions concerning the priority of deductions should be addressed to the Payroll Unit and/or the applicable Human Resources representative.

- 4.8 Employees receiving sick leave at half pay or on no pay status are not eligible to receive Holidays, Floating Holidays, sick accruals or annual vacation accruals until they return to work on either full or part-time status. Those on sick leave at half pay will receive half pay benefit for all days which occur during their sick leave at half pay.

Long Term Disability

- 5.1 Employees may be eligible for benefit payments under the Long-Term Disability Plan they selected at open enrollment, once they have been on leave for three consecutive months of absence for their own illness or injury, and after they have exhausted all of their accrued sick time. Provisional employees are not eligible for long-term disability. Information on long-term disability is provided in the Long-Term Disability booklet available from Human Resources and the Employee Benefits Handbook for Salaried Employees on the NYPA Intranet.


Vice President Human Resources

8/5/14

NEW YORK POWER AUTHORITY

EP: 3.9

EMPLOYEE POLICY

REVISION: 3

DATE: 8/5/2014

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- 2.3 There is no maximum on the amount of sick leave credits that may be carried over from one year to another.
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approval, allow employees to take less than half-days off with flexible scheduling allowing employees to make up time by working extra hours on other days during the same ~~pay period-workweek~~. Supervisors may also grant employees time off without using accrued sick leave if the absence is so brief that it does not affect the employee's work or performance.

- 3.4 Employees may use up to 10 sick days per calendar year to care for the medical needs of their sick children, spouse, parent (not parent-in-law), or domestic partner who has satisfied NYPA's Domestic Partner Benefits eligibility (even if not subscribed to NYPA Domestic Partner medical benefits). These days may also be used for caring for a wife or domestic partner recovering from routine childbirth.
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- 4.3 Sick leave at half-pay will be paid retroactively from the first day an eligible employee is without sick leave credits through either the end of their EML or earlier through the exhaustion of the half-pay benefit, or due to the circumstances described in Section 4.6 below.
- 4.4 Upon request, and with the approval of the local Human Resources Benefits Group, sick leave at half pay may be allowed to minimally exceed the 12 workweek FMLA entitlement period in those limited unique situations where there is a small gap of time between the end of the maximum sick leave at half pay benefit and the beginning of the LTD eligibility period.
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- 4.6 If an employee who has already been on an approved FMLA leave other than an EML, returns to work and then goes back out for their own illness or injury on an approved EML within the same FMLA yearly period, the employee will only be eligible to receive sick leave at half-pay for the remaining FMLA time period (even if the employee's own medical needs extend beyond the total 12-week FMLA entitlement). See EP: 3.3.
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Vice President Human Resources

NEW YORK POWER AUTHORITY

EP: 4.6

EMPLOYEE POLICY

REVISION: 9

DATE: 03/01/2014

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ATTENDANCE AND FLEXIBLE HOURS

- 1.1 To ensure an efficient and productive work environment, this policy establishes basic hours of daily work, basic workweek, flexible hours, punctuality guidelines, and guidelines for reporting to work in the event of inclement weather, transportation or other emergency situations for salaried employees. The work hours, workweek and lunch schedules may vary at different NYPA work locations.
- 1.2 NYPA expects all employees, regardless of location, to assume responsibility for their attendance and promptness, and to begin work no later than their designated start time. Employees should anticipate that NYPA work locations will be open every workday.

Basic Work Hours and Workweek

- 2.1 If an employee works in the White Plains or Albany Office:
 - a) The basic daily hours of work may vary based on department needs. This is defined as "flexible hours." The typical workday may begin anytime between 7:00am and 9:30am.
 - b) The basic workweek shall consist of five workdays (in a seven-day period) of seven and a half hours each, exclusive of mealtime.
 - c) A lunch period is normally provided between the hours of 12:00 pm and 2:00pm unless adjusted by an employee's supervisor.
- 2.2 If an employee works at a location where NYPA generation or transmission facilities are operated or maintained and the normal workweek is 40 hours, the following shall apply:
 - a) For salaried employees the basic daily hours of work shall be determined by the Regional Manager or the person otherwise responsible for the work location. The typical workday may begin anytime between 7:00 am and 9:00am.
 - b) The basic workweek shall consist of five workdays, (in a seven-day period) of eight hours each, exclusive of mealtime, and shall be determined by the Regional Manager or the person otherwise responsible for the work location.

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- c) Salaried employees' mealtime shall be determined by the Regional Manager or the person otherwise responsible for the work location.
- 2.3 Salaried Employees who work in areas requiring 24/7 coverage may be on 12 hour shift rotations, with schedules based on 2,080 hours for the year.
- a) Schedules will be determined by the requirements of the department at the location and approved by the Regional Manager (sites) or Department Head.
 - b) Various schedule rotations will result in an average of 40 hours per week over the course of the rotation (e.g. a 5 week rotation of: 48 – 36– 36 – 48 – 32 hours per week for a total of 200 hours) and employees are paid a base 80 hours per pay period, regardless of the scheduled hours in the period.
 - c) Pay for all hours in the schedule is at straight time inclusive of Holiday, Sick, Vacation, etc. [See EP 2.4 Salaried Non-Exempt and Facility-Based Exempt Overtime for additional information regarding hours outside of scheduled shift.]
 - d) Holidays, including floating holidays, are included in the 2,080 work hours in the year. For employees on 12 hour shift, holidays are adjusted to the equivalent hours based on the 12 hour days. [E.g. if there are 14 8 hour holidays in the holiday schedule, salaried employees on 12 hour shift will be adjusted to nine 12 hour holidays and one 8 hour floater.]
 - a. Holidays that do not fall on a scheduled day in the rotation are moved to the nearest scheduled day. It is at management's discretion as to whether or not the employee has to work this day or take the holiday based on available coverage.
- 2.4 The payroll period for a basic workweek at some locations may be Thursday through the following Wednesday, or Sunday through the following Saturday.

Punctuality Guidelines

- 3.1 Employees are expected to report for and remain at work during the basic daily hours as established by the applicable employing department or location, except for meal periods.
- 3.2 The basic daily workhours and basic workweek will vary at the Albany and White Plains Offices and at the facilities; however, the punctuality guidelines require that all employees report to work in a timely manner. Once hours have been established, employees will be expected to work the designated hours and days.
- 3.3 Employees who leave NYPA's employment, must physically be at work on their last day in order for it to be considered their last day of work.

- 3.4 Adherence to the flexible hours schedule will be enforced by the manager or supervisor. An employee may not switch his/her flexible hours schedule without approval by his/her manager or supervisor.
- 3.5 When an employee is late, he/she should meet with his/her supervisor to discuss the reason for the tardiness. Lateness is not charged against sick or vacation leave unless a half day or more is taken.
- 3.6 If the tardiness is not excusable, the employee's supervisor should document the occurrence. Specific guidelines for dealing with performance problems are established in EP 4.2, Performance Improvement. Documented cases of excessive absenteeism, tardiness or requests to leave early may result in the application of vacation time for such events and/or disciplinary action in accordance with EP 4.2.

Flex Time Schedules

- 4.1 In an effort to offer employees work-life balance solutions and minimize workplace commutes, flex time schedules to allow one day or a half day off within a two week pay period, will be permitted as follows:
- a) Employees wishing to participate in the program must submit a matrix indicating his/her flex time period to his/her manager for approval, reference and planning. Once the flex schedule is approved, every attempt must be made to adhere to that schedule (any deviations must be pre-approved by the employee's supervisor).
 - b) Flex time schedules are not guaranteed and may be altered as necessary to accommodate the business needs of each Business Group/Unit and/or department.
 - c) Employees cannot be required to work a flex time schedule.
 - d) Non-exempt employee work schedules cannot exceed 40 hours in any given week as a result of an employee's working an approved flex time schedule.
 - e) All employees working a flex time schedule must take at least a half hour lunch period.
 - f) Total hours worked within a given pay period must be no less than 75 hours or 80 hours (whichever is applicable) and must correspond to a two week pay period (Monday-Friday).
 - g) Holidays (including floating holidays) sick, vacation, and paid volunteer time must be recorded as your base hours (i.e.: 7.5 hours at WPO and Albany). In the event of a holiday or if an employee takes a sick day, vacation day, or paid volunteer day and he/she was scheduled to work 8.5 hours, he/she will only get credit for 7.5 hours and will need to make up the extra hour another day during that pay period.

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- h) Employees who take more than 2 days off (sick, vacation, holiday, or paid volunteer time) in a two week pay period are not eligible to work a flex time schedule in that pay period.
- i) An employee's participation in this program may be discontinued at any time at the discretion of the employee's supervisor, manager or Business Unit head.

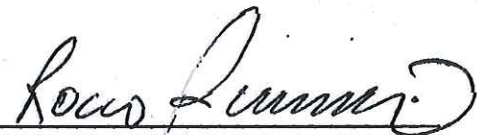
Office Closing Due to Inclement Weather or Emergencies

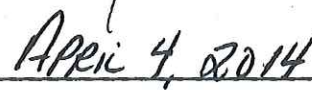
- 5.1 Unless notified otherwise, employees should anticipate that NYPA offices will be open. Only under extreme weather conditions or other emergency situations would the Albany Office and/or White Plains Office be closed. Office closings will be announced via the NYPA voice mail message system and First Call systems.
- 5.2 During the workday, if conditions warrant the closing of either the White Plains or Albany Office, the Human Resources Department Head, after consultation with the SVP Corporate Support Services and the President and Chief Executive Officer, will contact the Business Group Heads to advise them of the decision to close. Business Group Heads should then notify their respective staffs. During non-work hours, employees may call the NYPA voice mail system for office closing announcements.
- 5.3 If an employee expects to be late due to inclement weather, difficult transportation conditions or any other reason, he/she should notify his/her supervisor of the expected arrival time as soon as possible.
- 5.4 If an employee decides not to come to work, his/her immediate supervisor should be notified as soon as possible. In that instance, the absence must be charged to an employee's accumulated vacation time (accumulated sick time cannot be charged).

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Records of Attendance

- 6.1 Records of attendance shall be maintained for all employees at all NYPA locations through completion of a time report, which is maintained using the NYPA's time and attendance tracking system (CATS). Supervisors or their designees must approve all CATS entries before the time entries are transmitted to Payroll. Part-time NYPA employees must submit their time report on a weekly basis.
- 6.2 Falsification of any supervisory-approved records of attendance will result in disciplinary action up to and including termination.


 Vice President, Human Resources


 Date

NEW YORK POWER AUTHORITY

EP: 4.6

EMPLOYEE POLICY

REVISION: 9

DATE: 03/01/2014

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- 1.2 NYPA expects all employees, regardless of location, to assume responsibility for their attendance and promptness, and to begin work no later than their designated start time. Employees should anticipate that NYPA work locations will be open every workday.

Basic ~~Workhours~~Work Hours and Workweek

- 2.1 If an employee works in the White Plains or Albany Office:
 - a) The basic daily hours of work may vary based on department needs. This is defined as "flexible hours." The typical workday may begin anytime between 7:00am and 9:30am.
 - b) The basic workweek shall consist of five workdays (in a seven-day period) of seven and a half hours each, exclusive of mealtime.
 - c) A lunch period is normally provided between the hours of 12:00 pm and 2:00pm unless adjusted by an employee's supervisor.
- 2.2 If an employee works at a location where NYPA generation or transmission facilities are operated or maintained and the normal workweek is 40 hours, the following shall apply:
 - a) For salaried employees the basic daily hours of work shall be determined by the Regional Manager or the person otherwise responsible for the work location. The typical workday may begin anytime between 7:00 am and 9:00am.
 - b) The basic workweek shall consist of five workdays, (in a seven-day period) of eight hours each, exclusive of mealtime, and shall be determined by the Regional Manager or the person otherwise responsible for the work location.

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2.3 Salaried Employees who work in areas requiring 24/7 coverage may be on 12 hour shift rotations, with schedules based on 2,080 hours for the year.

- a) Schedules will be determined by the requirements of the department at the location and approved by the Regional Manager (sites) or Department Head.
- b) Various schedule rotations will result in an average of 40 hours per week over the course of the rotation (e.g. a 5 week rotation of: 48 – 36 – 36 – 48 – 32 hours per week for a total of 200 hours) and employees are paid a base 80 hours per pay period, regardless of the scheduled hours in the period.
- c) Pay for all hours in the schedule is at straight time inclusive of Holiday, Sick, Vacation, etc. [See EP 2.4 Salaried Non-Exempt and Facility-Based Exempt Overtime for additional information regarding hours outside of scheduled shift.]
- d) Holidays, including floating holidays, are included in the 2,080 work hours in the year. For employees on 12 hour shift, holidays are adjusted to the equivalent hours based on the 12 hour days. [E.g. if there are 14 8 hour holidays in the holiday schedule, salaried employees on 12 hour shift will be adjusted to nine 12 hour holidays and one 8 hour floater.]
- a. Holidays that do not fall on a scheduled day in the rotation are moved to the nearest scheduled day. It is at management's discretion as to whether or not the employee has to work this day or take the holiday based on available coverage.

2.4 The payroll period for a basic workweek at some locations may be Thursday through the following Wednesday, or Sunday through the following Saturday.

Punctuality Guidelines

- 3.1 Employees are expected to report for and remain at work during the basic daily hours as established by the applicable employing department or location, except for meal periods.
- 3.2 The basic daily workhours and basic workweek will vary at the Albany and White Plains Offices and at the facilities; however, the punctuality guidelines require that all employees report to work in a timely manner. Once hours have been established, employees will be expected to work the designated hours and days.
- 3.3 Employees who leave NYPA's employment, must physically be at work on their last day in order for it to be considered their last day of work.

- 3.4 Adherence to the flexible hours schedule will be enforced by the manager or supervisor. An employee may not switch his/her flexible hours schedule without approval by his/her manager or supervisor.
- 3.5 When an employee is late, he/she should meet with his/her supervisor to discuss the reason for the tardiness. Lateness is not charged against sick or vacation leave unless a half day or more is taken.
- 3.6 If the tardiness is not excusable, the employee's supervisor should document the occurrence. Specific guidelines for dealing with performance problems are established in EP 4.2, Performance Improvement. Documented cases of excessive absenteeism, tardiness or requests to leave early may result in the application of vacation time for such events and/or disciplinary action in accordance with EP 4.2.

Flex Time Schedules

- 4.1 In an effort to offer employees work-life balance solutions and minimize workplace commutes, flex time schedules to allow one day or a half day off within a two week pay period, will be permitted as follows:
- a) Employees wishing to participate in the program must submit a matrix indicating his/her flex time period to his/her manager for approval, reference and planning. Once the flex schedule is approved, every attempt must be made to adhere to that schedule (any deviations must be pre-approved by the employee's supervisor):
 - b) Flex time schedules are not guaranteed and may be altered as necessary to accommodate the business needs of each Business Group/Unit and/or department.
 - c) Employees cannot be required to work a flex time schedule.
 - d) Non-exempt employee work schedules cannot exceed 40 hours in any given week as a result of an employee's working an approved flex time schedule.
 - e) All employees working a flex time schedule must take at least a ~~halfhour~~half hour lunch period.
 - f) Total hours worked within a given pay period must be no less than 75 hours or 80 hours (whichever is applicable) and must correspond to a two week pay period (Monday-Friday).
 - g) Holidays (including floating holidays) sick, vacation, and paid volunteer time must be recorded as your base hours (i.e.: 7.5 hours at WPO and Albany). In the event of a holiday or if an employee takes a sick day, vacation day, or paid volunteer day and he/she was scheduled to work 8.5 hours, he/she will only get credit for 7.5 hours and will need to make up the extra hour another day during that pay period.

- h) Employees who take more than 2 days off (sick, vacation, holiday, or paid volunteer time) in a two week pay period are not eligible to work a flex time schedule in that pay period.
- i) An employee's participation in this program may be discontinued at any time at the discretion of the employee's supervisor, manager or Business Unit head.

Office Closing Due to Inclement Weather or Emergencies

- 5.1 Unless notified otherwise, employees should anticipate that NYPA offices will be open. Only under extreme weather conditions or other emergency situations would the Albany Office and/or White Plains Office be closed. Office closings will be announced via the NYPA voice mail message system and First Call systems.
- 5.2 During the workday, if conditions warrant the closing of either the White Plains or Albany Office, the Human Resources Department Head, after consultation with the SVP Corporate Support Services and the President and Chief Executive Officer, will contact the Business Group Heads to advise them of the decision to close. Business Group Heads should then notify their respective staffs. During non-work hours, employees may call ~~the Business Group Heads to advise them of the decision to close. Business Group Heads should then notify their respective staffs. During non-work hours, employees may call~~ the NYPA voice mail system for office closing announcements.
- 5.3 If an employee expects to be late due to inclement weather, difficult transportation conditions or any other reason, he/she should notify his/her supervisor of the expected arrival time as soon as possible.
- 5.4 If an employee decides not to come to work, his/her immediate supervisor should be notified as soon as possible. In that instance, the absence must be charged to an employee's accumulated vacation time (accumulated sick time cannot be charged).

NEW YORK POWER AUTHORITY

EP: 4.6

REVISION: 9

EMPLOYEE POLICY

DATE: 03/01/2014

Records of Attendance

6.1 Records of attendance shall be maintained for all employees at all NYPA ~~locations~~ locations through completion of a time report, which is maintained using the NYPA's time and attendance tracking system (CATS). Supervisors or their designees must approve all CATS entries before the time entries are transmitted to Payroll. Part-time NYPA employees must submit their time report on a weekly basis.

6.2 Falsification of any supervisory-approved records of attendance will result in disciplinary action up to and including termination.

Vice President, Human Resources

Date

**New York Power Authority
Corporate Accounting
Subject: Reimbursement of Employee Meal Costs**

**CAP: 1.5
Date: 3/31/12
Revision: 13**

1.0 Objectives

1.1 This policy provides for the reimbursement of reasonable and prudent meal expenses employees incur in the performance of their duties. Each employee is responsible for ensuring that submitted expenses are accurate and in compliance with the provisions of the policy. The approving supervisor is responsible for ensuring cost effectiveness and reasonableness of expenses incurred as well as compliance with policy.

1.2 This policy is established to ensure:

- a. that employees are reimbursed for the necessary and reasonable cost of meals incurred while performing their duties
- b. meal reimbursement guidelines are clearly communicated to staff and consistently applied, and
- c. meal expenses are reimbursed within Authority policy limits

1.3 The policy applies to reimbursement of all meals except for those covered by union agreements.

2.0 General

2.1 Meals eligible for reimbursement are incurred by an employee:

- a. While traveling overnight on Authority business.
- b. While taking a day trip on Authority business.
- c. In connection with working overtime.
- d. As a "working meal" during a business meeting.

Specific guidelines governing reimbursement are provided in the following sections of this policy.

2.2 Requests for reimbursement are required to include identification of the meal (breakfast, lunch or dinner) with an explanation of its business purpose. Receipts are required for individual meals with a cost in excess of \$10. All reimbursement requests require the approval of the employee's supervisor / manager or business unit head before processing for payment.

2.3 Employees who hold the company-sponsored corporate travel card should use the card to pay for business meals. If an employee does not have a corporate travel card, the use of a personal card is encouraged. (Authority policy requires the use of the corporate travel card to pay for all business transportation*, lodging, and car rentals in order to ensure proper receipt documentation and eligibility for special negotiated fares) (Refer to CAP 1.7 Corporate Travel Card Program for further details).

* Except for air/rail travel which should be charged to the Authority's direct billed Citi card.

Employees may use the company procurement credit card (procard) with direct billing to the Authority to pay for meals incurred for internal training courses and working meetings including board and management committee meetings. The procurement card should not be used for any other meal expenses. Refer to Corporate Accounting Policy CAP 4.1 Petty Cash for further details.

3.0 Policy Details

3.1 Overnight Travel

Employees traveling on business that requires an overnight stay will be reimbursed for **actual** and reasonable meal costs up to the following maximum daily amounts:

\$55	travel to upstate facilities (BG, CEC, Niagara, St. Law-FDR, Albany)
\$70	travel to downstate facilities (White Plains, New York swing office, 500MW and Flynn)
\$70	other travel

When on overnight travel status, employees will be reimbursed for breakfast when travel begins before 7:00 AM, for lunch when travel begins before noon, and for dinner when returning home after 7:00 PM.

Employees who spend more than the maximum daily amount should reduce their reimbursement requests for the applicable days to the appropriate amounts (i.e. \$55 or \$70 depending on the destination). The Authority reimburses employees for the cost of breakfast, lunch, and dinner within these meal guidelines. The cost of food and beverages between breakfast, lunch, and dinner is not reimbursable.

3.2 Day Trips

Employees taking day trips to conduct Authority business will be reimbursed for meals based on travel times. Reimbursements will be provided (1) for breakfast, if the employee leaves home at least one hour before their normal departure time, and (2) for lunch, if the employee is on travel status during their normal lunch hour, and (3) for dinner, if the employee returns home at least two hours after their normal returning time. The Authority reimburses employees for the cost of breakfast, lunch, and dinner within these meal guidelines. The cost of food and beverages between breakfast, lunch, and dinner is not reimbursable.

3.3 Overtime Meals

Employees are eligible for reimbursement of actual expenses for dinner when they work two hours of overtime during a weekday. On Saturdays, Sundays or holidays, employees are entitled to reimbursement of actual expenses for

- a Lunch if they work 4 hours or more.
- b Dinner if they work 7 hours or more.

Reimbursements cannot exceed the actual cost of the meal. There is no "reimbursement allowance" if a meal is not purchased.

3.4 Limits

Reimbursements for business meals incurred on day trips and for overtime meals will be based on actual and reasonable meal costs up to the following maximum amounts:

- Breakfast \$10 (day trips only)
- Lunch \$20
- Dinner \$40

3.5 Authority- Provided Meals

Whenever the Authority pays directly for a meal, the employee is not entitled to a meal payment. This provision also pertains to arrangements made by certain operating plants, with local restaurants, that provide a meal to an employee through the issuance of a "meal ticket". The cost of a meal obtained by a meal ticket should be within reasonable limits as determined by the Site Regional Manager. Meal tickets can only be used by the employee to whom it was issued and only on the day overtime is worked.

3.6 Business Meals

Business meals will be reimbursed when the meal is provided as a "working meal" during a meeting (on or off the premises) for the convenience of the Authority and for the efficient conduct of business. In all cases of business meals, the senior employee in attendance should pay the bill and file the expense report. All reimbursement requests require the approval of the employee's supervisor/manager or business unit head before processing for payment.

3.6.1 Meals with business guests

Employees will be reimbursed for the actual and reasonable cost of meals, up to \$70 per person, with business guests (i.e. non-Authority employees) on or off the Authority's premises when the meal is approved by a vice president or equivalent or higher position. The nature of business discussed, as well as the name, title, and affiliation of each business guest, must be documented on the employee's expense statement.

The senior NYPA employee in attendance should pay the bill and file an expense report for reimbursement.

If the business meal is with an outside vendor and/or 3rd party contractor, the outside vendor and/or 3rd party contractor should **not** be permitted to pay the bill.

3.6.2 Authority Employees Only

In situations where it is necessary for the efficient conduct of business, employees will be reimbursed for the cost of an on-premises meal (breakfast or lunch only) with other Authority employees up to \$30 per person, in connection with a working meeting or conference. Reimbursement of off-premises meals where only Authority employees are present will be permitted only when deemed appropriate for business purposes and authorized in writing by a vice president or equivalent or higher position. The cost of such meals should not exceed \$70 per person. The senior NYPA employee in attendance should pay the bill and file an expense report for reimbursement.

3.7 Extended Assignments

Employees who work on an extended assignment (i.e. assignments for more than three months but less than one year) at a location other than their assigned work location may elect to receive: (1) reimbursement of actual and reasonable meal and lodging expenses or (2) a daily per diem, based on IRS guidelines, covering meals, lodging and incidental expenses (e.g., laundry, tips, etc.) Per Diem arrangements must be approved by the appropriate business unit head and the Vice President and Controller. Amounts will be set by the Director - General Accounting & Financial Reporting (or his designee) based on Federal guidelines.

3.8 Non-Reimbursable Meal Expenses

3.8.1 Excessive Meal Expenses

While the Authority expects its employees to have good meals at reasonably priced restaurants when traveling, and to conduct business in comfort, it also expects its employees to exercise good judgment. Accordingly, charges exceeding limits established by this policy will be considered personal expenses and will not be reimbursed.

3.8.2 Personal Meals

Meals in connection with retirement, farewells, birthdays, holidays and similar events are considered personal and will not be reimbursed.

4.0 Taxability

Meal reimbursements that are not associated with overnight travel are generally considered taxable income under IRS regulations, and are therefore subject to withholding of social security and income taxes unless such payments are classified as de minimus by the Vice President – Controller's office. Taxable meal reimbursements include those associated with day trips and overtime. Reimbursements for working meals during meetings (Section 3.6) are not subject to taxes.

5.0 Responsibilities

5.1 Employee

Employees have primary responsibility for ensuring that meal expenses are necessary and reasonable, fully - documented as to business purpose, supported by receipts, properly submitted on the appropriate form, accurately coded in the proper account, and otherwise in compliance with the provisions of this policy. Employees should also exercise sound business judgment and common sense whenever they incur expenses to be paid by the Authority.

5.2 Approving Supervisors and Managers

Approving supervisors and managers are responsible for ensuring that their employees understand the content and intent of this policy before expenses are incurred and that the provisions of this policy are met. Supervisors must ensure that Authority funds are spent wisely and carefully, that their employees have submitted appropriate, reasonable and prudent expenses and that all expenses, except as noted otherwise, are submitted on expense reports. In addition, they are responsible for ensuring that their employees seek cost-effective solutions to situations/needs, carefully reviewing their employees' expense reports and confirming that coding for expenses, to be reimbursed, is accurate.

**5.3 Site Manager of Business Services
Headquarters Accounts Payable Manager**

The Site Manager of Business Services, at the operating plants, and the Accounts Payable Manager, at the Headquarters Office, are responsible for implementing and administering this policy at their respective locations. This responsibility includes ensuring their staff properly reviews, processes, and retains all reimbursement requests received.

5.4 Headquarters Accounts Payable Manager and Headquarters Payroll Manager

The Headquarters Accounts Payable Manager and Headquarters Payroll Manager are jointly responsible for ensuring that meal reimbursements are properly included in the employee's paycheck (i.e. by separate check or direct deposit), taxable reimbursements are reported on the employees W-2 Wage and Tax Statement and social security and income taxes are withheld.

5.5 Director - General Accounting & Financial Reporting

The Director-General Accounting & Financial Reporting or his authorized designee is responsible for overall implementation, administration, and maintenance of this policy on a company-wide basis.

5.6 Vice President - Controller

The Vice President - Controller must approve any deviations from this policy.

6.0 **References**

- 6.1.1** Agreement between the Power Authority of the State of New York and Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers IBEW, AFL-CIO, 2006-2011, as amended or superseded from time to time.
- 6.1.2** Agreement between the Power Authority of the State of New York and Local Union 1-2 of the Utility Workers Union of America (UWUA), AFL-CIO, 2004 - 2009, as amended or superseded from time to time.
- 6.2** CAP 1.7 Corporate Travel Card Program.
- 6.3** CAP 7.4 Processing Overtime Meal Payments
- 6.4** CAP 4.1 Petty Cash
- 6.5** Credit Card Procurement System Policy & Procedures (Rev. 11/08)
- 6.6** Travel Hand Book, NYPA Power net website, Travel Desk section.



Vice President-Controller

SUBJECT: TRAVEL

1.0 SCOPE

This policy establishes guidelines for business travel arrangements and travel expense reimbursements.

2.0 IMPLEMENTATION

This policy shall be adhered to by the staff of all Authority Business Units and Departments, and contractors/consultants doing business on behalf of the Authority. Recommendations for changes to this policy or a new corporate policy shall be processed in accordance with CP 1-1 "Corporate Policy Program Administration".

3.0 MANAGEMENT CONTROLS

3.1 General

3.1.1 Employees must use Power Business Travel, (the Corporate Travel Desk), for air, hotel and car rental arrangements in order to be reimbursed for business travel expenses.

Contractors/consultants, doing business on behalf of the Authority, must use Power Business Travel for all air, hotel and car rental arrangements in order to be reimbursed for approved business travel expenses.

3.1.2 The Travel Desk will make the most cost effective arrangements that meet the traveler's needs. Exceptions or changes to Travel Desk recommended arrangements must be approved by the traveler's Business Unit/Department Head.

3.1.3 Travel associated invoices must be submitted with expense statements for reimbursement.

3.1.4 In the event that emergency travel arrangements are made by the traveler, written explanation of the circumstances must be provided to the Travel Desk, which will produce an invoice to be submitted with the expense statement.

- 3.1.5 Every effort will be made to meet the traveler's needs while taking advantage of New York State contracted or "economy/advance purchase" airfares, "government" or "corporate/seminar" lodging rates and "negotiated" or "discount" rates for vehicle rental.
- 3.1.6 Tax exempt forms should always be used to prevent state and local taxes from being added to hotel or car rental bills whenever employees or contractors/consultants are traveling for Authority business in New York State, since New York taxes will not be reimbursed.
- 3.1.7 The Travel Desk will make the most cost effective arrangements for out-of-office meetings, seminars and training sessions, and must be used to book the rooms and facilities required for these types of events.
- 3.1.8 The Travel Desk will optimize cost savings and minimize trip times by scheduling/assigning the company plane and arranging charter flights as appropriate. (See sections 3.8 and 3.9)
- 3.1.9 Whenever possible, employees should use fleet vehicles, which will be maintained at all sites, to secure ground transportation for business purposes; however, employees are expected to use alternate means, including personal vehicles, if fleet vehicles are not available. To request a fleet car, the traveler should go to the Authority's intranet page and follow the instructions.
- 3.1.10 Expenses incurred for meals while traveling will be reimbursed according to the Corporate Accounting Policy (CAP) 1.5, Reimbursement of Employee Meal Costs.
- 3.1.11 Any exceptions to this travel policy must be approved by the Director of Corporate Support Services and Senior Vice President (SVP) Corporate Support Services.

3.2 Responsibilities

- 3.2.1 The manager authorized to approve an employee's or contractor's/consultant's Expense Statement must ensure that the traveler has complied with the provisions of this policy.
- 3.2.2 Travelers are responsible for compliance with this Corporate Policy and also for verification that all travel arrangements are correct.

- 3.2.3 The Director of Corporate Support Services and the SVP Corporate Support Services implement this policy and determine appropriate revisions.

3.3 Travel Arrangements

- 3.3.1 Employees and contractors/consultants must book all business travel through the Travel Desk. The Travel Coordinator will book the most cost effective and time efficient travel for the trip.
- 3.3.2 If the traveler requests a different itinerary than provided by the Travel Desk, then the traveler must obtain approval from the appropriate manager or Departmental designee. The email with the approval should be forwarded to the Travel Desk before tickets are issued. All approved exceptions will be maintained in Travel Desk files.
- 3.3.3 Employees and contractors/consultants should make travel requests as far in advance as possible, so that the Travel Coordinator may obtain the lowest airfares and hotel rates. The travel request should include preferred time and departure airport, location and dates of meetings/accommodations, etc.
- 3.3.4 Every effort will be made to secure alternatives that meet both the traveler's preferences and this policy. The Travel Coordinator will notify the traveler if preferred routings, departure times, or hotel accommodations are not available or if preferred airlines or airports or hotel accommodations are not the most reasonable and lowest-cost alternatives. New York State Office of General Services (OGS) or Authority negotiated discount fares will always take precedence over whatever airline or routing that the passenger prefers.
- 3.3.5 The Authority allows travelers to participate in and keep the benefits of "frequent flyer" and other mileage/usage related programs. However, required business travel will not be arranged to meet any particular program requirements, unless program pricing is equal to or less than competing alternatives.
- 3.3.6 If the employee is traveling on Authority business outside the U.S., the employee may need a valid passport. If the employee needs to acquire or renew his U.S. Passport to conduct Authority business, then the Authority will reimburse the employee for that expense.

3.4 Reimbursement

- 3.4.1 Business air or train travel will be charged by the Travel Desk to a centralized Citibank VISA account that will be reconciled by Accounting staff. Air and/or train travel for Authority business will not be expensed by the individual traveler.
- 3.4.2 Employee travel expenses, other than air or train tickets, are reimbursed through the Employee Expense Statement (hard copy or electronic, whichever applies). The employee submitting an expense statement is responsible for its accuracy and completeness. Additionally, the signature or electronic approval of the employee's supervisor, manager, director (or higher) indicates that the expense statement is complete, meets documentation and receipt requirements, includes only reasonable business expenses and is in compliance with this policy.
- 3.4.3 Travel invoices issued by the Travel Desk in response to a traveler's requested trip arrangements must be attached to the expense statement to ensure reimbursement of approved business expenses.
- 3.4.4 Travelers will not be reimbursed for any travel expenses not in compliance with this policy.

3.5 Air Transportation

- 3.5.1 The Travel Coordinator will seek to provide economical airfares which could include a one-stop flight or a connecting flight with a layover of two hours or less. Travelers should be ready to accept alternative reservations established within a two hour "window" of their requested departure times in order to achieve fare savings.
- 3.5.2 A commercial aircraft must be multi-engine turbine powered with two (2) pilots flying the trip.
- 3.5.3 All business travel of less than 2500 one-way air miles will be booked in "coach". If a business traveler has one way flight time exceeding 7 hours to their destination, the traveler can depart a day earlier so that he/she can be rested for the next day's activity. If a business traveler has one way flights that exceed 2500 air miles, business class may be booked instead of coach upon the approval of the Senior Vice President, Corporate Support Services.



- 3.5.4 If a New York State Office of General Services (OGS) negotiated fare is available for a traveler's proposed trip, then that fare will be used as long as it fits the requirements of provision 3.5.1. If an "incentive" or "special" fare is also available for the same city-pair, then that roundtrip fare may be used if the savings is more than \$200 over the OGS roundtrip fare. Any other exception must be approved by the traveler's supervisor.
- 3.5.5 "Special fares" frequently provide substantial fare savings, but may carry up to a 100% charge for changes or cancellations. These fares can be very economical, but they have scheduling drawbacks, and should be used with caution. If these fares are booked and a change or cancellation is required due to legitimate business circumstances, the Authority will absorb the expense and charge the employee's cost center.
- 3.5.6 Employees may use a transportation differential of up to \$200.00 (roundtrip) to choose between trips originating from the New York City airports, i.e., LaGuardia, JFK and Newark, and from Westchester County Airport or Newburgh/Stewart Airport. For example, if a roundtrip originating from Newburgh/Stewart costs over \$200.00 more than the same trip from Newark, then the employee's trip will be booked from Newark unless an approval of the exception is sent by the individual who signs off on the employee's expense statement or the employee agrees to pay the amount in excess of \$200.00
- 3.5.7 Ground transportation to/from airports should be as reasonable as possible, given employee's individual travel situations. The Travel Desk will assist employees in choosing among the airport transit options most suitable for them. Car service is expensive and should be a last resort to get to the airport. Preferred car service providers, who provide cost-effective rates for Authority travelers, are listed on the Travel Desk's website. The use of the employee's personal car will be reimbursable in accordance with the Authority's "Business Mileage Rate for Transportation" which conforms to the IRS guidelines.

3.6 Hotel Reservations

- 3.6.1 The Travel Coordinator at the Travel Desk will always attempt to secure the lowest available rates for hotel accommodations, whether at "government", "corporate/seminar", "negotiated discount" or other special rates. The federal reimbursement rate for that location, as referenced in the U.S. General Services Administration's Domestic Per Diem Rates, will be used as a guideline.
- 3.6.2 It is the policy of the Travel Desk to book overnight stays in hotels that provide a "government rate", unless no such suitable accommodation is available. The Travel Coordinator will indicate a choice of median-rated hotel accommodations within reasonable proximity to the employee's meeting/business location, in order to provide the most economical rates available for the employee. For conferences, reservations will be made in the hotel where the conference is being held, provided that those accommodations are in accordance with this policy. If an employee prefers to stay at a hotel with no government rate, when, in fact, a government rate is available at a nearby hotel, the reimbursement will cover only the amount of the declined government rate. All exceptions will be reported to Accounts Payable by the Travel Desk staff.
- 3.6.3 Unless otherwise requested, hotel accommodations for late arrivals will be automatically guaranteed to the traveler's credit card.
- 3.6.4 When canceling a hotel reservation, the Travel Coordinator will give the traveler a cancellation code which should be retained in the traveler's files. If cancellations are called in directly to the hotel, then the caller should notify the Travel Desk of the cancellation number, the name of the individual who accepted the cancellation, and the date and time of the cancellation. Please note that this information is necessary if the hotel mistakenly charges the traveler a "no-show" expense (usually the cost of one night's lodging).

3.7 Car Rentals

- 3.7.1 The Travel Coordinator will secure car reservations using the Authority's contract vendors.
- 3.7.2 The Travel Coordinators will always request the lowest (most fuel-efficient) car class size suitable for the business purposes. When fewer than three employees are traveling together, an intermediate-sized car or smaller will be booked unless there are compelling business related reasons that call for a larger vehicle.

- 3.7.3 Employees travelling for business should use their Corporate Credit Cards for car rental transactions since the credit card is providing collision damage coverage through a separate agreement with the Authority. A traveler will NOT be reimbursed for collision damage insurance on a car rental.
- 3.7.4 Liability Insurance Supplement (LIS) and Personal Accident Insurance (PAI)/Personal Effects Coverage (PEC) will be offered by most car rental agencies. PAI allows renters to elect accidental death and blanket medical coverage for themselves and their passengers, while PEC provides insurance for loss of or damage to a customer's personal effects during the rental period. These extra insurances, e.g., LIS, PAI, and PEC will NOT be reimbursed by the Authority.
- 3.7.5 The completed car rental agreement with the receipt for payment must be attached to the traveler's expense statement submitted for reimbursement.
- 3.7.6 All rental vehicle accidents must be immediately reported to the Authority's Insurance Department using appropriate forms.
- 3.7.7 Travelers should attempt to minimize rental costs. Cars picked up at one location should be returned to the same location whenever possible to avoid incurring mileage and drop-off charges. To avoid contract vendor fill-up charges, employees should return cars with a full tank of gas.
- 3.7.8 Transportation to/from airports to the office/hotel by van or bus service is encouraged. Many hotels/conferences offer a complimentary transport service. The Travel Desk can often provide advance information on such services, and assist in arranging for their use.

3.8 Corporate Airplane

- 3.8.1 Flight Operations will reserve the corporate airplane on a first-come, first-serve basis for personnel on Authority related business.

- 3.8.2 Each flight on the corporate airplane must be to and from destinations within New York State. Use of the corporate airplane should be the cost-effective choice when compared to commercial flights plus hotel lodging, car rentals, and employee lost productivity. This cost comparison is done through the use of Travel\$ense, a software program designed to compare the cost of travel via business aircraft versus airlines or other alternate means. If the Travel\$ense analysis indicates a trip is not a cost-effective use of the corporate airplane, Flight Operations, in conjunction with the Travel Desk, will recommend other travel alternatives. Approvals are subject to the terms of Section 3.1.11. Travel\$ense reports are kept by Flight Operations for all Authority flights conducted on the corporate airplane detailing the cost savings associated with each trip.
- 3.8.3 The corporate airplane cannot be used solely to transport members of the Board of Trustees to and from board meetings. Trustees performing Authority related work, or for government purposes, may travel on the corporate airplane only on trips which have already been scheduled for other Authority employees and which result in no additional cost to the Authority.
- 3.8.4 Requests for use of the corporate airplane are made through the intranet-based NYPA Aircraft Reservation System, hosted by Professional Flight Management. Select individuals are granted access to the site, and act on behalf of their Business Unit head, and the Business Unit travelers, to submit all appropriate requests to Flight Operations. These requests are then processed and scheduled by the company pilots, and a notice of trip status is then sent to all passengers via email. All changes to trip requests are made through the same process. To gain access to the intranet-version of the company airplane reservation system, a written request should be made to the Director, Aviation and Travel Operations. The basis for the request should be indicated, e.g. that he/she is replacing someone who has current access or showing that the group he/she represents is a frequent user of the corporate airplane, and has been approved by the Business Unit head to act on their behalf as a designated scheduler. The Director, Aviation and Travel Operations will then ensure that these individuals are granted access to the reservation system, which includes the corporate airplane's 90 day extended schedule.

- 3.8.5 Consultants or contractors, performing Authority related work, may utilize the corporate airplane provided that this trip results in no additional cost to the Authority.

The Chairman of the Board of Trustees or the President and Chief Executive Officer may authorize:

- (1) Non-Authority employees to accompany an Authority employee on the corporate plane for governmental purposes; or
- (2) Federal, State or Local Government officials to utilize the corporate airplane for government purposes.

All non-Authority travelers will be required to sign a written waiver of any claim or liability against the Authority arising out of such use.

- 3.8.6 The cost of the corporate airplane is not charged back to the employees' budgets, but is budgeted as a corporate resource for all Business Units of the Authority.
- 3.8.7 If the corporate airplane is unexpectedly unable to fly a scheduled trip, then other means of travel will be arranged for those booked. -If the other means of travel, due to special conditions, is a charter plane, then the cost of the charter will in most cases be charged back to the appropriate departmental budget(s).

3.9 Charters

- 3.9.1 The Travel Desk is responsible for arranging aircraft charters. If the Authority's corporate airplane is unable to do a trip for the business group and commercial flights are not available or cost justified, then charter prices may be sought from those vendors with contracts with the Authority to provide charter aircraft. The aircraft most closely meeting the needs of the business group and with the most cost effective pricing will be booked to satisfy extreme travel circumstances.

A charter aircraft must be multi-engine turbine powered with 2 pilots flying the trip. The pilots must meet the Authority's minimum standards for its own pilots.

- 3.9.2 The request for a charter aircraft must be approved by the President and Chief Executive Officer before committing to the charter provider. In the case of the President and Chief Executive Officer's request for a charter aircraft, the Senior Vice President Corporate Support Services, the General Counsel and the Chairman must approve the trip.
- 3.9.3 To finalize the transaction, the business group must provide the appropriate Authority cost center code and the cost element to the Travel Desk, so that the cost can be charged back to the departmental budget.
- 3.9.4 The charter trip will be scheduled as an additional trip on the corporate plane schedule, viewable on the Authority's intranet, so that the Authority's pilots and other users are aware of it. In this way, available seats might be filled with other travelers.
- 3.9.5 If there is a concern over the possibility of an emergency need for the corporate airplane, the charter plane may be kept reserved until 24 hours before the trip and then released. If the corporate airplane becomes available by the close of business on the day before the scheduled trip, it should be the preferred aircraft, replacing the charter.
- 3.9.6 Charters usually have cancellation penalty clauses that are substantial. Any arrangements must include the business group representative's agreement to pay the cancellation fees which may be imposed.

3.10 Meetings/Seminars/Training Sessions

- 3.10.1 Authority events such as meetings, seminars, and training sessions that are held out of the office must be reviewed by the Travel Desk.

All hotel accommodations must be booked for these events through the Travel Desk to ensure rate policy compliance. Employees should send written proposals to the Travel Desk in a timely fashion for review and scheduling. Only hotel rooms and meeting facilities will be reviewed and booked by Travel Desk personnel. Food requirements, meeting set-up, etc. are the responsibility of the respective Business Unit.

Plans for group business luncheons or dinners for 50 people or less, may be made by the appointed person from within the Business Unit or department sponsoring the event. The cost of all such luncheons or dinners must be kept within the limits of the reimbursement policy covering Off Premises Meals.

- 3.10.2 Events estimated to exceed \$15,000 will be submitted to Procurement for advertising in the Contract Reporter. Procurement will issue a bidding document to interested parties. Travel Desk staff and the requesting group's representative(s) will review the bids and select the most appropriate and cost-effective provider.

Events in the \$5,000 to \$14,999 range will be researched by the Travel Desk staff who will recommend a vendor to Procurement for contract execution.

- 3.10.3 When the cost and details of the conference room(s), refreshments, and other amenities from the hotel, restaurant or conference center have been agreed upon, the designated business group representative should sign the contract from the vendor. After the event, the requestor is responsible for reviewing, entering budget codes and sending the subsequent bill for services in a timely manner to Accounts Payable for issuance of the payment.

- 3.10.4 Outside meeting arrangements generally include cancellation clauses. Please note that any arrangement must include the requesting business group representative's agreement to pay any cancellation fees involved.

3.11 Cancellation/Revisions

- 3.11.1 The Travel Coordinator should be immediately advised of any cancellations – air, hotel, car, etc. Failure to do so could result in penalties on airfares and no-show charges for hotels and cars. Please note that any Authority incurred avoidable charges will be billed to the business group's appropriate responsibility code/cost element if not properly cancelled.

- 3.11.2 Except in emergency situations, any revisions to an employee's itinerary must be made by the Travel Desk. Charges for emergency measures must be supported by appropriate documentation from vendors.

3.12 Contractor Travel

- 3.12.1 Contractors **must** make all travel arrangements through the Travel Desk. Travel arrangements made through outside travel agencies are only reimbursable in accordance with current Authority negotiated or government rates.
- 3.12.2 A complete Contractor Travel Profile form must be on file for each contractor prior to requesting travel services from the Travel Desk. The contractor's Authority manager will request Accounts Payable staff to assign an Authority Contractor Number for each contractor who will be traveling. The number is then added to the Contractor Travel Profile before it is forwarded to the Travel Desk.
- 3.12.3 All Contractor Travel requests must have the contractor's Authority manager's approval prior to submission to the Travel Desk.
- 3.12.4 The maximum amount of reimbursable airfare should not exceed the cost of round trip government airfare between the appropriate Authority facility and the location of the contractor's preapproved point of origin, unless otherwise authorized by the appropriate Authority Business Unit head or designee.
- 3.12.5 The Travel Desk will issue itineraries for all travel arrangements made for contractors. A copy of these itineraries will be sent via email to the contractor and the appropriate Authority manager. A copy of a contractor's Authority travel itinerary and associated receipts, excluding meals, must be attached to vendor's invoice.
- 3.12.6 The Authority Meal Policy must be adhered to by contractors at all times. Meal expenses which do not conform to this policy are not reimbursable. Meals shall be paid on a per diem based on the schedule listed below. Meal receipts are not required.
- 3.12.7 The Authority's N.Y. State Sales Tax Exemption forms must always be used for hotel and car expenses incurred within New York State. Sales tax charged for these services within New York State are not reimbursable.

3.12.8 Contractors/consultants will use their personal credit cards for car rental transactions.

3.12.9 Additional fees, such as auto insurance, road side assistance on car rentals, will not be reimbursed. Upgrades to larger size or luxury vehicles are also not reimbursable. Miscellaneous expenses, such as tips, fees for use of hotel gym/ fitness rooms, medications, toiletries, snacks, magazines, newspapers, etc. are personal and will not be reimbursed.

3.12.10 The Travel Desk must be advised immediately of any cancellations. Failure to do so may result in penalties or no show charges which are not reimbursable.

3.12.11 Authority managers will review all contractor travel expense invoices to ensure compliance with this policy.

4.0 REFERENCES

- 4.1 CP 1-1 – Corporate Policy Program Administration
- 4.2 CAP 1.5 – Reimbursement of Employee Meal Costs
- 4.3 Corporate Flight Operations Manual

5.0 ATTACHMENTS

- 5.1 Power Business Travel Invoice
- 5.2 NYS Sales Tax Exemption Certificate
- 5.3 NYS Hotel Tax Exemption Certificate



President and Chief Executive Officer

Attachment 5.1

**NYPAPowerBusiness
TRAVEL**



SALES PERSON: 95 ITINERARY/INVOICE NO. 0008112
CUSTOMER NBR: 0000171000 HMTZ02

DATE: 29 OCT 04
PAGE: 01

TO: NY POWER AUTHORITY
123 MAIN ST 6280
WHITE PLAINS NY 10601
ATTN

FOR:

REF:

02 NOV 04 - TUESDAY

AIR US AIRWAYS FLT:4079 COACH CLASS
OPERATED BY US AIRWAYS EXPRESS-PIEDMONT AIRLINES
LV NEW YORK LGA 600P EOP: DASH 8 TPROP
DEPART: USAIRWAYS LA GUARDIA TERM 01HR 49MIN
AR BUFFALO 749P NON-STOP
REF: CFTYNP

SEAT: 7D US-1439360

CAR BUFFALO BUDGET RENT A CAR INTER CAR AUTO A/C

PICK UP-1949
RETURN-03NOV/1915
RATE PLAN 1 DAYS 0 HRS USD MI/KM EA MI/KM
DAILY RATE 42.50 UNL
XTRA DAY- 42.50 UNL
XTRA HOUR- 14.18 UNL
MANDATORY CHARGES 5.53
APPROX RENTAL COST 48.03 UNL
CONFIRMATION NUMBER 06103994US1 RATE-GUARANTEED
CD-X909300 ID-HA6810

HOTEL BUFFALO OUT-03NOV
HOLIDAY INN 1 NIGHT
HOLIDAY INN NIAGARA FALLS 1 ROOM
231 THIRD ST RATE-89.00USD PER NIGHT
NIAGARA FALLS NY 14303 CANCEL BY 06P DAY OF ARRIVAL
PHONE 716-282-2211
FAX 716-282-2748
GUARANTEED LATE ARRIVAL
CONFIRMATION 65551388


03 NOV 04 - WEDNESDAY

AIR US AIRWAYS FLT:3998 COACH CLASS
OPERATED BY US AIRWAYS EXPRESS-PIEDMONT AIRLINES
LV BUFFALO 715P EOP: DASH 8 TPROP
AR NEW YORK LGA 920P 01HR 45MIN
ARRIVE: USAIRWAYS LA GUARDIA TERM NON-STOP
REF: CFTYNP
SEAT: 8C US-1439360

CONTINUED ON PAGE 2

ITINERARY

Attachment 5.1 Continued

<i>NYPA Power Business</i>		
TRAVEL 		
SALES PERSON: 95	ITINERARY/INVOICE NO. 0008112	DATE: 29 OCT 04
CUSTOMER NBR: 0000171800	HMTZ02	PAGE: 02
TO: NY POWER AUTHORITY 123 MAIN ST 628D WHITE PLAINS NY 10601 ATTN :		
FOR:	REF: 12165	
AIR TICKET	US1100908793	
ELEC TKT		
	BILLED TO VISA	331.20*
	SUB TOTAL	331.20
	NET CC BILLING	331.20*
	TOTAL AMOUNT DUE	0.00
TO CHANGE OR CANCEL RESERVATIONS PLEASE CALL POWER BUSINESS TRAVEL AT 914-287-3191 DURING 8A-5P MON-FRI EXCEPT HOLIDAYS IF ITS AN EMERGENCY HIT ZERO POUND FOR AFTER HOURS *EMERGENCY ONLY* CALL 800-390-6474 PLEASE BE SURE TO BRING POSITIVE PHOTO IDENTIFICATION IF YOU DO **NOT** USE ANY PART OF YOUR ETKT YOU MUST NOTIFY THE TRAVEL DESK TO PROCESS A REFUND FOR THE UNUSED PORTIONS OF YOUR TICKET YOUR RECORD LOCATOR FOR THIS RESERVATION IS *CFTYNP		



**New York Power
Authority**
CORPORATE POLICY

CP: 2-1
DATE: 03/21/2013
REVISION: 5

Attachment 5.2

For use only by Representatives or Employees of
Departments or Agencies of the State of New York

TO: NEW YORK STATE
SALES TAX BUREAU

#131850882
EXEMPTION CERTIFICATE
TAXES IMPOSED PURSUANT TO
ARTICLES 28 AND 29 OF THE TAX LAW

NAME OF PERSON OR FIRM FURNISHING SERVICES

DATE _____ 20____

ADDRESS

This is to certify that I, the undersigned, am a representative or employee of the New York State Department or Agency indicated below; that the charges for the transaction on the date set forth below have been or will be paid for by such department or agency; and that such charges are incurred in the performance of my official duties as such representative or employee.

NATURE OF TRANSACTIONS _____

DATES OF TRANSACTIONS _____

SIGNATURE OF REPRESENTATIVE OR EMPLOYEE

NEW YORK STATE DEPT.
OR AGENCY NEW YORK POWER AUTHORITY

TITLE

NOTE: A separate exemption certificate is required for each transaction and from each person claiming exemption

Attachment 5.3

TAX EXEMPT ID# 131850882



New York State Department of Taxation and Finance

Exemption Certificate

Tax on occupancy of hotel rooms

ST-129
(10/00)

This form may only be used by government employees of the United States, New York State, or political subdivisions of New York State.

Name of hotel, motel, lodging house, etc.		Dates of occupancy From: / / To: / /	
Number and street	City, village, or post office	State	ZIP code Country
<p><i>This is to certify that I, the undersigned, am a representative of the department, agency, or instrumentality of New York State, the United States government, or the political subdivision of New York State indicated below; that the charges for the occupancy at the above establishment on the dates listed have been or will be paid for by that governmental entity; and that these charges are incurred in the performance of my official duties as a representative or employee of that governmental entity.</i></p>			
Governmental entity (federal, state, or local)		Agency, department, or division	
New York Power Authority			
Employee name (print or type)	Employee title	Employee signature	Date / /

Instructions for the government representative or employee

If you are on official New York State or federal government business and staying in a hotel or motel:

1. Complete all information requested in the box above.
2. Sign and date this exemption certificate in the box above.
3. Show the operator of the hotel or motel your appropriate and satisfactory identification.
4. Give this completed Form ST-129 to the operator of the establishment.

You may pay your hotel bill with cash, with a personal check or personal credit card, with a government voucher, or with a government credit card.

Please note:

- If, while on official business, you stay at more than one location, you must complete an exemption certificate for each establishment.
- If you are in a group traveling on official business and staying in this particular hotel, each person must complete a separate exemption certificate and give it to the hotel operator.

Caution: Willfully issuing a false or fraudulent certificate with the intent to evade tax is a misdemeanor under section 1817(m) of the Tax Law and section 210.45 of the Penal Law, punishable by a fine of up to \$10,000.

Instructions for the operator of the hotel or motel

Keep this completed Form ST-129, *Exemption Certificate*, as evidence of exempt occupancy by New York State and federal government employees who are on official business and staying at your establishment. You must keep this exemption certificate for at least three years after the later of: 1) the due date of the last sales tax return to which this exemption certificate applies; or 2) the date when you filed the return.

This exemption certificate is valid if the government employee is paying with:

- Cash.
- A personal check or personal credit card.
- A government voucher.
- A government credit card.

Do not accept this certificate unless the representative or employee presenting it shows appropriate and satisfactory identification.

2014 Confidential Evaluation of NYPA Board Performance

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