

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

July 25, 2017

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Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:30 a.m.

The following Members of the Governance Committee were present:

Dr. Anne M. Kress - Chair
John R. Koelmel - Member
Eugene L. Nicandri, Member
Anthony Picente, Jr., Member
Tracy McKibben - Member

Also in attendance were:

Dennis G. Trainor	Trustee
Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Joseph Kessler	Executive Vice President and Chief Operating Officer
Jill Anderson	Executive Vice President and Chief Commercial Officer
Kimberly Harriman	Senior Vice President - Public and Regulatory Affairs
Ken Lee	Senior Vice President and Chief Information Officer
Kristine Pizzo	Senior Vice President - Human Resources and Enterprise Shared Services
Soubhagya Parija	Senior Vice President and Chief Risk Officer
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Jaiah Gottor	Manager - Network Services
Glen Martinez	Senior Network Analyst
Joseph Rivera	Network Architect

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

Introduction

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

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

Upon motion made by Vice Chairman Nicandri and seconded by Authority Chairman Koelmel, the Agenda for the meeting was adopted.

2. **CONSENT AGENDA:**

Upon motion made by Authority Chairman Koelmel and seconded by Vice Chairman Nicandri, the Consent Agenda and Reports provided by staff 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 March 21, 2017 were approved.

b. Procurement and Related Reports (January – June 2017)

The Vice President of Procurement submitted the following report:

“SUMMARY

This report is to advise the Governance Committee of certain 2017 activities of the Procurement Division, including: procurement contract activity, disposal of personal property (including Fleet-related transactions), Supplier Diversity Program activities and plant inventory statistics; as well as fossil fuels activities conducted by the Fuel Planning and Operations Group; corporate finance activities conducted by the Treasury Group; and transfers of interest in personal property to Canal Corporation.

BACKGROUND

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

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

DISCUSSION

As more fully described in the individual reports attached hereto as Exhibits '2b-1 – 2b-7,' the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater that were active in 2017, as identified by the Authority's SAP Enterprise Resource Planning ('ERP') system. The Disposal of Personal Property Report lists all personal property disposal transactions over \$5,000 conducted during 2017. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises ('MWBES') as well as to Service-Disabled Veteran-Owned Businesses ('SDVOBs') based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Planning and Operations and Treasury work groups, respectively. The Transfer of Interest in Personal Property to Canal Corporation report identifies personal property transferred from the Authority to Canal Corporation deemed prudent by the Contracting Officer to facilitate the Canal Corporation's obligations to operate, maintain, construct, reconstruct, improve and develop the canal system.

FISCAL INFORMATION

There will be no financial impact on the Authority.

RECOMMENDATION

The Governance Committee is requested to review and approve the Procurement, Fossil Fuels and Corporate Finance Reports (attached hereto as Exhibits 2b-1 through 2b-7)."

c. Real Estate Reports - (January – June 2017)

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

“SUMMARY

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

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President – Enterprise Shared Services, the Vice President - Procurement and the Director - Real Estate are required to report to the Committee at all regularly scheduled meetings, and the Committee has the authority to require Real Estate staff to prepare additional reports and to produce documents for the Committee's review. Due to recent staff reorganization, the Real Estate Division now reports to the Vice President – Enterprise Shared Services, who is submitting this report.

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

DISCUSSION

The Report of the Acquisition and Disposal of Real Property for the period January through June 2017 is attached hereto as Exhibit '2c-1.'”

**d. New York Power Authority's Ethics and Compliance Program
And Reliability Standards Compliance**

The Vice President and Chief Ethics & Compliance Officer submitted the following report:

"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 March 21, 2017 to July 25, 2017.

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 March 21, 2017 include various requests to engage in outside activities and employment and issues concerning conflicts of interest, post-employment analyses, policy reviews, gifts inquiries and appearance of impropriety questions related to unwarranted privilege scenarios.

DISCUSSION

The E&C Office provided guidance in response to 115 inquiries since the last report to the Governance Committee. Of particular note, there were 32 management employees who utilized the benefit of Employee Policy 3-4, Paid Volunteer Time. This policy allows management employees to take up to two paid days per calendar year related to approved volunteer activities for not-for-profit charitable groups. Employees volunteered for a Canals' Clean Sweep event, the United Way, Family Services of Westchester County, Re-Member, an organization that seeks to improve the quality of life on a Lakota Indian Reservation and a Fresh Air Fund volunteer host family. These activities are accounted for under the outside activities section of the graph which appears later in this report. Additional outside activities reviewed included volunteer firemen, school board members, planning and zoning board members and volunteers for a Wounded Warrior turkey shoot. The E&C Office reviews all requests for Paid Volunteer Time and outside employment to ensure the absence of conflicts of interests and provide ethics guidelines to enable employees to avoid violations of the NYS Public Officers Law and NYPA Code of Conduct.

NYPA's management has retained the services of four former, retired NYPA employees as for up to a one-year period in order to fulfill specific needs within each employee's area of expertise. Those temporary, part time employees who are under 65 years of age remain subject to the earnings limitations contained within the NYS Retirement & Social Security Law and are capped at \$30,000 annually. The E&C Office reviews the prospective hires to ensure the absence of conflicts of interest and NYPA's compliance with the NYS Public Officers Law post-employment restrictions and Retirement System earnings limitations.

A recent appointee to the Northern New York Power Proceeds Allocation Board ('NNYPPAB') was asked to sign a recusal memorandum which is designed to preclude him from participating in any NNYPPAB applications relating to his private sector employer. This agreement requires the board member to refrain from engaging in the preparation, review, ranking, recommendation or award of any funds involving his employer.

In an unrelated review, two members of the NNYPPAB requested an opinion related to their work on applications that they may have reviewed when serving on separate economic development boards in the North Country. The applying organizations were expected to seek additional funding from the NNYPPAB. The E&C Office opined that these scenarios did not present actual conflicts of interest involving the personal interests or relationships of either NNYPPAB member. Rather, the apparent or perceived conflicts presented themselves where certain NNYPPAB applying organizations had received funding from other entities with which the NNYPPAB members had an official role and where those members had previously voted in favor of funding opportunities. It is expected that a fully appointed NNYPPAB will alleviate any quorum concerns in evaluating these applications in the event that board members choose to recuse themselves from participation with certain applying organizations.

During the reporting period, an employee resigned from his position and notified NYPA of his intention to work for a competitor utility. This employee's NYPA job duties included appearing before an external regulatory entity and interacting with other utilities and transmission stakeholders (including his new employer). The E&C Office met with the employee and his supervisor to reaffirm the NYS Public Officers Law conflicts of interest and post-employment principles and later met with the employee's work group to address these statutory requirements. An additional mitigation activity included an immediate re-assignment of any projects that were deemed to have confidentiality issues related to NYPA's positions in the utility industry. Formal notification was provided within the employee's workgroup and to all employees within NYPA who were working on joint projects with this individual to ensure that NYPA's information remained secure.

A NYPA employee was invited to participate in an industry conference in Germany related to his duties and for which travel and living expenses were offered to be paid by the sponsor. After careful review, it was determined that the funding source for this conference was a department of the German government. The employee was allowed to accept certain complimentary travel and living accommodations offered by the conference sponsor as they met the criteria contained in applicable NYS regulations governing 'Official Activity Expense Payments.'

Outside employment reviews included engineering services, hotel and rental property ownership, and personal businesses including cake making, beef farming, small leather goods, real estate agents and a recently hired employee who was asked to work part-time for several months to transition a new employee to fill her prior position at her former company. All requests to engage in outside employment were approved with specific ethics guidelines tailored to each set of circumstances. The employees and their supervisor were required to agree to the guidelines.

The E&C Office reviewed several developmental intern and permanent employment applicants under the NYS Public Officers Law conflict of interest nepotism prohibition. In each instance, management thoroughly reviewed the applicant's qualifications against all other applicants and determined that the selected relative was the most qualified for the position. Internal controls and guidance include a prohibition against family members having any supervisory authority or other employment related responsibilities with respect to the other.

Cases by Location and Category for the Period March 21-July 25, 2017

Category	Albany	BG	CEC	Niagara	STL	WPO	Totals
Allegations		1		2	1	3	7
Appearance of impropriety						1	1
Conflict of interest		1		2	3	1	7
General Inquiries						1	1
Gifts		1		1		10	12
Outside Activities	3			13	6	23	45
Outside Employment		1	3	2	2	9	17
Political Inquiries						1	1
Post-Employment						8	8
Securities						1	1
Unwarranted Privilege			1	1	3	10	15
	3	4	4	21	15	68	115

Internal Collaboration

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

The E&C Office participated with Internal Audit, Enterprise Risk, the Internal Controls group and other risk management units in Phase One of an effort to identify and map risk reporting workflows and a common taxonomy for members of the Risk Alignment & Controls Committee ('RACC'). Currently in Phase 2, this working group is engaged with a consultant to explore NYPA's needs related to a common enterprise Governance, Risk and Compliance ('eGRC') framework and the acquisition of an electronic eGRC mechanism. This tool will consolidate the risk and internal controls catalogues to better track and report risks and related mitigation plans. Among other benefits, the eGRC will enable the various risk management units to communicate more effectively and collaboratively manage NYPA's risk events.

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

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

Training and Outreach

The E&C Office develops and provides continuing comprehensive and targeted ethics, Federal Energy Regulatory Commission ('FERC') Standards of Conduct and FERC Anti-Market Manipulation training to all new hires and designated Trustees and employees who require this training. Additionally, the Governor's Office of Employee Relations ('GOER') is scheduled to release an electronic ethics training to be delivered in conjunction with its other annual required trainings which include internal controls, anti-harassment and discrimination, workplace violence and other comprehensive subjects applicable to all New York State agencies, authorities and employees.

The E&C Office will work with the Corporate Secretary's Office to provide all required ethics training to the newest members of NYPA's and the NYS Canal Corporation's Board of Trustees and other officials appointed to various NYPA related boards including the Economic Development Power Allocation Board, Northern New York Power Proceeds Allocation Board and Western New York Power Proceeds Allocation Board. The training will include guidance on conflicts of interest, financial disclosure, gifts restrictions, post-employment restrictions, Project Sunlight and other mandatory ethics principles.

Financial Disclosure

Completion and filing of mandatory Financial Disclosure Statements by NYPA's designated policy-makers and employees whose salaries exceed the statutory filing threshold were due at the NYS Joint Commission on Public Ethics ('JCOPE') on May 15, 2017. The E&C Office provided confidential, substantive guidance to employees concerning their respective filings.

All of NYPA's external boards are now required to participate in JCOPE's Financial Disclosure Program. The E&C Office is facilitating these board members' compliance with this annual statutory filing requirement.

RELIABILITY STANDARDS COMPLIANCE

SUMMARY

This report highlights important aspects of NYPA's NERC Reliability Standards compliance management program for the period March 22, 2017 to July 25, 2017. 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, there were four (4) new possible violations of the NERC Reliability Standards reported to the Northeast Power Coordinating Council ('NPCC').

1. CIP-004 Cyber Security - Personnel & Training: As a result of a vendor's delay in reporting an employee separation, and NYPA's delay initiating the revocation process until the vendor's second notification, the individual remained on a list of personnel with authorized unescorted physical access and electronic access (no remote access). As a result, the NYPA ID Badge assigned to the vendor's employee remained active with unescorted physical access for a period of greater than 24 hours. Such access needed to be revoked within 24 hours.
2. CIP-004 Cyber Security - Personnel & Training and CIP-006 Cyber Security - Physical Security of Bulk Electric System ('BES') Cyber Systems: An individual who was granted access to a Physical Security Perimeter ('PSP') without following NYPA's internal controls entered the PSP. In such cases, physical access requires a continuous escort.

3. CIP-004 Cyber Security - Personnel & Training: An employee was given a temporary card key with physical access rights in excess of the employee's approved access rights, including PSPs that contain BES cyber assets.
4. CIP-004 Cyber Security - Personnel & Training: An employee was given unescorted physical access without the required approval via NYPA's Access Information Management System ('AIMS') Physical Access Request process.

These possible violations were determined to be of minimal impact to the Bulk Electric System ('BES'). As such, RSC reported these to NPCC under the self-logging process. If confirmed by NPCC, these minimal impact violations will be processed as Compliance Exceptions and will not result in any penalties.

On April 11, 2017 the Northeast Power Coordinating Council ('NPCC'), under the Notice of Compliance Exception program, determined that a prior self-reported potential violation for CIP-014 - Physical Security posed minimal risk to the reliability of the Bulk Electric System ('BES') and was appropriately mitigated by NYPA. As such, NPCC notified NYPA that the matter is closed. This incident was investigated internally pursuant to NYPA's Potential Violation Concern procedures.

Investigations of Possible Violations

Technical Compliance is reviewing sixteen (16) investigations of possible violations of the NERC Reliability Standards. During the reporting period, Technical Compliance initiated five (5) new investigations of possible violations; four (4) of these were reported to the Northeast Power Coordinating Council (NPCC) in May 2017 under the self-logging process. Six (6) investigations are under review from the previous reporting period and pending a final determination and one (1) investigation resulted in a determination of no possible violation. This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

NERC Alerts

NERC disseminates information that it deems critical to ensuring the reliability of the bulk power system via 'alerts' designed to provide concise, actionable information to the electric industry. During the reporting period, there were three (3) NERC alerts sent to industry.

1. Modular Malware Targeting Electric Industry Assets in Ukraine - Purely informational, intended to alert registered entities to issues or potential problems. No response was required. Internally distributed.
2. Loss of Solar Resources during Transmission Disturbances due to Inverter Settings – Recommend specific action to be taken by registered entities. Response was required and provided.
3. Advanced Persistent Threat Actor Targeting Electric Industry and Other Critical Sectors - Purely informational, intended to alert registered entities to issues or potential problems. No response was required. Internally distributed.

Risk-Based Evidence Management Program

Effective in late 2015, NPCC revamped the self-certification process to a risk-based model. The new process is referred to as the Guided Self-Certification program. This program is being administered to entities in the NPCC region in lieu of the previous annual self-certification program. In response, Technical Compliance implemented a Risk-Based Evidence Management Program for identifying areas of risk and appropriate frequency for evaluation of and compliance evidence updates for the NERC Reliability Standards applicable to NYPA. This process ensures

that NYPA's compliance program aligns with NERC's risk-based Compliance Monitoring and Enforcement Program and the NPCC guided self-certification process. In 2017, Technical Compliance will review and update the evidence for forty-three (43) NERC Reliability Standards that are applicable to NYPA's NERC registrations.

Guided Self-Certification of Compliance

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

Bulk Electric System (BES) Definition

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

The exclusion exception request for the Moses-Alcoa ('MAL') 115kV transmission lines that has been reported in previous reports to the Governance Committee is still in process. As part of the request, a tolling agreement between Alcoa, NERC, NYPA, and NPCC was extended in order to allow the parties additional time to seek resolution. On May 1, 2017, a NERC-led Review Panel issued its determination and concluded that the MAL lines are BES facilities and that Alcoa is required to register as the Transmission Owner and that NPCC needs to assign the Transmission Operator for the lines. Alcoa submitted an appeal to NERC on May 19, 2017.

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

During the reporting period, NYPA continued to effectively manage the implementation of CIP Versions 5 and 6 to include the Southeast New York ('SENY') region and the upstate Low Impact facilities and cyber system assets in the CIP Compliance Program. The CIP Version 6 requirements relate to transient devices, removable media, non-programmable cabling, and cyber assets associated with Electronic Security Perimeters. Low Impact and CIP Version 6 became enforceable on April 1, 2017. NYPA successfully completed and validated the internal implementation milestones prior to the April 1, 2017 enforcement date.

NPCC's audit schedule showed that NYPA will receive a CIP audit in December 2017. Substantive work occurred in the reporting period to prepare for the audit, including structured compliance assessments. The key objective of these compliance assessments has been to benchmark evidence and processes and identify areas that need improvement. No possible violations of the standards have been identified during the assessments completed to date. The CIP compliance assessments will be completed prior to October 2017.

In parallel with the CIP audit readiness efforts, Technical Compliance engaged the internal stakeholders to implement a work plan to establish a consistent and robust NERC CIP Compliance Program for NYPA's assets. The standardization of the program required the implementation of certain controls that exceed, in some respects, the CIP requirements. Such an approach ensures program stability, enhances NYPA's security posture, and aligns with NYPA's enterprise-wide cyber security strategy.

Operations & Planning ('O&P') Audit

The NPCC Operations and Planning ('O&P') offsite audit concluded on May 5, 2017. NPCC conducted an exit briefing and determined that, based on the evidence provided, for the twelve (12) standards and twenty-six (26) requirements NPCC audited, there were no findings of

July 25, 2017

non-compliance. NPCC will soon be issuing public and non-public reports to formally close this audit.”

3. Next Meeting

Chairperson Kress said the next regular meeting of the Governance Committee is to be held on Tuesday, September 26, 2017 at a time to be determined.

Closing

Upon motion made and seconded, the meeting was adjourned by the Chair of the Committee at approximately 8:36 a.m.

Karen Delince

Karen Delince
Corporate Secretary

July 25, 2017

EXHIBITS

For

July 25, 2017

Governance Committee

Meeting Minutes

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

March 21, 2017

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Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:30 a.m.

The following Members of the Governance Committee were present:

Trustee Anne M. Kress, Chair
Trustee Eugene L. Nicandri, Member
Trustee Anthony Picente, Jr., Member

John R. Koelmel - Excused
Anthony Picente, Jr. - Excused

Also in attendance were:

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Jaiah Gottor	Lead Network Analyst – Infrastructure
Glen Martinez	Senior Network Analyst – Infrastructure

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

Introduction

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

1. Adoption of the Proposed Meeting Agenda

Upon motion made by Trustee Nicandri and seconded by Trustee McKibben, the Agenda for the meeting was adopted.

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

Madam Chair, I move that the committee conduct an executive session to discuss an ongoing investigation (pursuant to section 105c of New York Public Officers Law).

Upon motion made by Trustee McKibben and seconded by Trustee Nicandri, an Executive Session was held.

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

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

4. **CONSENT AGENDA:**

Upon motion made by Trustee McKibben and seconded by Trustee Nicandri, the Consent Agenda and Reports provided by staff 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 July 26, 2016 were approved.

b. Procurement and Related Reports

The Vice President of Procurement submitted the following report:

"SUMMARY

This report is to advise the Governance Committee of certain 2016 activities of the Procurement Division (rebranded Strategic Supply Management), including: procurement contract activity, disposal of personal property, Supplier Diversity Program activities and plant inventory statistics; as well as fossil fuels activities conducted by the Fuel Planning and Operations Group; and corporate finance activities conducted by the Treasury Group.

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

BACKGROUND

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

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

DISCUSSION

As more fully described in the individual reports attached hereto as Exhibits 4b-1 – 4b-6, the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater that were active in 2016, as identified by the Authority's SAP Enterprise Resource Planning ('ERP') system. The Disposal of Personal Property Report lists all personal property (including Fleet-related) disposal transactions over \$5,000 conducted during 2016. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises ('MWBES') as well as to Service-Disabled Veteran-Owned Businesses ('SDVOBs') based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Planning and Operations and Treasury work groups, respectively.

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Authority's Governance Committee reviews the Guidelines for Procurement Contracts and the Guidelines for the Disposal of Authority Personal Property annually, and approves any changes to such Guidelines. 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 29, 2016. The Governance Committee is requested to review the revisions to the respective Guidelines (as set forth in the redlined copies attached hereto as Exhibits 4b-7a and 4b-7b) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017.

FISCAL INFORMATION

There will be no financial impact on the Authority.

RECOMMENDATION

The Governance Committee is requested to review and approve the Procurement, Fossil Fuels and Corporate Finance Reports (attached hereto as Exhibits 4b-1 through 4b-6).

The Governance Committee is also requested to review the revised Guidelines (as set forth in the redlined copies attached hereto as Exhibits 4b-7a and 4b-7b) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017.”

c. Real Estate Reports

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

"SUMMARY

This report is to advise the Governance Committee of certain 2016 activities of the Real Estate Division regarding the acquisition and disposal of real property.

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

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President - Procurement and the Director - Real Estate are required to report to the Committee at all regularly scheduled meetings, and the Committee has the authority to require Real Estate staff to prepare additional reports and to produce documents for Committee review. Due to recent staff reorganization, the Real Estate Division now reports to the Vice President – Enterprise Shared Services. The position of Director – Real Estate has been replaced with the Manager Corporate Real Estate. The 2016 Real Estate reports are being submitted by the Vice President – Enterprise Shared Services.

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

DISCUSSION

The Report of the Acquisition and Disposal of Real Property for the period January through December 2016 is attached hereto as Exhibit 4c-1.

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Authority's Governance Committee reviews the Guidelines and Procedures for the Disposal of Authority Real Property 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 29, 2016.

RECOMMENDATION

The Governance Committee is requested to review the revisions to the respective Guidelines (as set forth in the redlined copies attached hereto as Exhibits 4c-2 – 4c-3 and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017."

d. Annual Review and Approval of Certain Authority Policies

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

"SUMMARY

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

The Governance Committee is also requested to recommend that the Board of Trustees approve delegation 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 4d-1 through 4d-22 and respectively entitled:

- 4d-1 Attendance and Flexible Hours (EP 4.6); last revised 11/01/2016;
- 4d-2 Education Assistance Program (EP 3.6); last revised 05/13/2016
- 4d-3 Employee Assistance Program (EP 3.5); last revised 05/04/2016
- 4d-4 Employee Background Investigations (EP 1.10); last revised 04/25/2016
- 4d-5 Employee Personnel Records (EP 5.1); last revised 03/04/2016
- 4d-6 Family & Medical Leave Act (FMLA) (EP 3.3) last revised 05/16/2016
- 4d-7 Fitness for Duty (EP 4.5) last revised 05/13/2016
- 4d-8 Leaves of Absence (EP 3.4) last revised 05/13/2016
- 4d-9 Management Employee Categories and Eligibility for Benefits (EP 3.1) last revised 05/13/2016
- 4d-10 Management Non-Exempt and Facility-Based Exempt Overtime (EP 2.4) last revised 05/24/2016
- 4d-11 Management Salary Continuation (EP 3.10) last revised 05/16/2016
- 4d-12 No Smoking (EP 4.7) last revised 03/18/2016

- 4d-13 Recruitment and Job Posting (EP 1.2) last revised 05/13/2016
- 4d-14 Relocation Benefits for New and Transferred Employees (EP 3.8) last revised 05/04/2016
- 4d-15 Salary Administration (EP 2.1) last revised 05/20/2016
- 4d-16 Screening & Pre-Employment Selection for Bargaining Unit Positions at Operating Facilities (EP 1.4) last revised 05/13/2016
- 4d-17 Separation from Service (EP 1.6) last revised 05/13/2016
- 4d-18 Severance Policy (EP 1.7) last revised 04/01/2016
- 4d-19 Sick Leave Policy (EP 3.9) last revised 05/16/2016
- 4d-20 Termination Dispute Resolution (EP 4.3) last revised 03/31/2016
- 4d-21 Transfer or Re-Employment in Public Service (EP 1.9) last revised 05/04/2016

4d-22 Vacation (EP 3.2) last revised 05/17/2016

RECOMMENDATION

The Governance Committee is requested to review the revised policies (as set forth in the red-lined copies attached hereto as Exhibits 4d-1 thru 4d-22) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017.”

e. 2016 Annual Board of Directors Evaluation Pursuant to Sections 2800 and 2824 of the Public Authorities Law and Guidance of the Authorities Budget Office

The Chair of the Governance Committee submitted the following report:

SUMMARY

The Governance Committee is requested to recommend that the Board of Trustees approve the annual Board of Directors evaluation summary for 2016 and authorize the Corporate Secretary to submit the summary to the Governor, legislative leaders, the State Comptroller and the Authorities Budget Office ('ABO') pursuant to Section 2800 of the Public Authorities Law, as amended by the Public Authorities Accountability Act of 2005 ('PAAA'), within 90 days of the close of the Authority's fiscal year.

BACKGROUND

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

FISCAL INFORMATION

There is no anticipated fiscal impact.

RECOMMENDATION

The Governance Committee is requested to recommend that the Board of Trustees approve the annual Board of Directors evaluation summary for 2016 and authorize the Corporate Secretary to submit the summary to the Governor, legislative leaders, the State Comptroller and the Authorities Budget Office ('ABO') as required by Public Authorities Law Section 2800."

f. New York Power Authority's Ethics and Compliance Program

The Vice President and Chief Ethics & Compliance Officer submitted the following report:

"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 July 26, 2016 to March 21, 2017.

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 July 26, 2016 include various requests to engage in outside activities and employment and issues concerning conflicts of interest, post-employment analyses, policy reviews, a retaliation claim, gifts inquiries and appearance of impropriety questions related to unwarranted privilege scenarios.

DISCUSSION

Annual Review

The E & C Office reviewed 303 inquiries during calendar year 2016, up from 220 the prior year, a 37% increase in volume. There were 80 outside activities reviews, including 53 Paid Volunteer Time ('PVT') requests. Under the PVT Employee Policy, management employees may take up to two days of paid time off each year to volunteer their time to eligible charities and other established not-for-profit organizations. Many of these requests are for departmental groups to volunteer together on a project to foster teamwork to enhance productivity in the office.

In addition, the E & C Office investigated 15 allegations of wrongdoing and evaluated 51 outside employment requests, 28 post employment scenarios, 39 gifts reviews and 45 unwarranted privilege questions. These cases originated from all of NYPA's locations and included questions from individual contributors, managers, executives and members of the Board of Trustees. The increased volume can be attributed in part to the companywide training initiative undertaken in the 4th quarter of 2016, discussed in greater detail later in this report.

Selected Cases

The E&C Office was asked to opine on various unwarranted privilege situations during the recent reporting period. These "appearance of impropriety" issues are defined as the "use of or attempt to use one's official position to secure unwarranted privileges or exemptions for oneself or others." This provision of both the New York State Public Officers Law ('POL') and the NYPA Code of Conduct is the standard used to evaluate a variety of inquiries including conference/industry event attendance, NYPA sponsorships, group discussions or focus panels and testimonials for entities which have completed projects for or supplied products utilized by NYPA. Several inquiries are discussed below:

Several NYPA employees were asked to make presentations or participate in the General Electric ('GE') Mind and Machines conference focusing on the digital transformation of electric power and utilities. This conference took place shortly after NYPA announced its

partnership with GE in which GE will provide software to monitor, analyze and enhance the performance of NYPA's generating assets across the operations and transmission network. GE was selected for this opportunity through a competitive bidding process in accordance with NYPA's Procurement Guidelines. The E & C Office instructed the attendees that their presentations and interactions with the participants must be limited to a technical description of NYPA's engagement with GE focusing on the scope of work and anticipated deliverables. The employees were cautioned against making any representations or statements that could be construed as an endorsement of GE or its products or services. NYPA is the first U.S. power provider to engage in an enterprise-wide digital transformation agreement with GE. This ongoing endeavor offers both NYPA and GE an opportunity for positive press coverage, but leaves NYPA employees vulnerable to running afoul of the law if they inadvertently make statements that appear to be an endorsement of GE.

In another unwarranted privilege question, the E & C Office was asked whether or not NYPA could sponsor events, or a portion of events provided by professional organizations that employees have joined which are directly related to their NYPA employment. In one instance, a NYPA employee is a member of an industry-related organization which rotates its monthly meetings among the member organizations. NYPA was asked to sponsor one of these meetings which included providing meeting space and food for the attendees. The E & C Office approved this provision of services as it was determined to be directly related to NYPA's mission and the job duties of the member employees. In addition, the E & C Office shared this scenario with the NYS Joint Commission on Public Ethics ('JCOPE') for discussion during a JCOPE webex gifts symposium attended by various New York State agency and authority ethics officers. JCOPE agreed that NYPA could sponsor a rotating membership meeting and provide food to the attendees without violating the ethics gifts restrictions.

As an organization, NYPA has provided its support to and encouraged its employees to join external industry groups such as Women in Communications and Energy ('WICE'). NYPA has several senior executives on this organization's board, and the current president is a NYPA staff member. As in the example above, NYPA often hosts meetings and professional events for WICE, including facilities, event preparations and printing of organizational materials. NYPA employees make up approximately 30 percent of the WICE membership. The current president inquired whether NYPA could continue to provide its facility and support to the organization and also whether she could contact any NYPA vendors to participate as subject matter experts at WICE networking conferences. The E & C Office advised that the current president could contact certain NYPA vendors and solicit their expertise on behalf of WICE provided she did not interact with these vendors as part of her NYPA job responsibilities. Had the NYPA employee been in a position to deal directly with any of these external vendors in her official NYPA capacity, she would not have been able to pursue the vendors with which she had any official responsibilities. The E & C Office also agreed that participants could provide modest services to this organization including the set up and break down of meeting rooms and various other incidental services.

Given NYPA's commitment to WICE and the frequency of its engagement, the E & C Office recommended that NYPA include WICE as a designated membership organization in the Business Contributions Company Policy. This approach will formalize NYPA's business relationship and provide a process for evaluating and approving future WICE sponsorship requests in a consistent, efficient and transparent manner. This review will help to mitigate any legal or 'appearance of impropriety' issues before they occur.

NYPA's Energy Manager Department has entered into a partnering program with SUNY Albany's Business School which will allow MBA students in their last semester to work with a host organization for an intense two week period during which they will address a business problem to obtain significant energy sustainability savings and find practical solutions. NYPA intends to undertake this initiative in the late April/early May time frame. The initiative will have four to six MBA candidates on the team and are anticipated to invest between 800-1000 total hours on the project. NYPA intends to have the students work on an initiative focusing on student dorms at

colleges and universities. NYPA currently has over 100 large dormitories participating in the NY Energy Manager program. These types of facilities have proven difficult to target for savings in the traditional engineering-based solutions typical of many NYPA customers. It is believed that a student led initiative will be more successful in this environment. The program has generated over \$100k in savings in the past and both the New York State Energy Research and Development Agency ('NYSERDA') and National Grid are regular participants in the program.

Requests to review outside employment and activities included town council, city planning and school board positions, school athletic coaches, several appointed positions on local political committees and individual businesses including web site design, wood working, residential and light commercial construction and welding services. All requests were approved with ethics guidelines for engaging in these outside activities. Copies of the agreed upon guidelines are provided to the requesting employee, the direct supervisor and site Human Resources personnel if the individual reports to an operations or transmission site.

Internal Collaboration

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

To further enhance our working relationship and offer subject matter expertise, the E & C Office's Senior Compliance Officer participated in the Internal Audit Department Guest Auditor Program and participated in the Finance & Administration audit at the Clark Energy Center. The partnership was a success as the Senior Compliance Officer conducted field work and assisted with the preparation of the audit findings and recommendations, while lending her objectivity and subject matter expertise to the Internal Audit team.

The E & C Office is actively engaged with Internal Audit, Enterprise Risk, the Internal Controls group and other risk management units to identify and map risk reporting procedures and a common taxonomy for members of the Risk Alignment & Controls Committee ('RACC'). This exercise will result in a common enterprise Governance, Risk and Compliance ('eGRC') framework and the acquisition of an electronic eGRC tool to consolidate the risk and internal controls catalogues to better track and report risks and mitigation plans through a comprehensive tool. We are seeking to incorporate ethical commitment and decision-making into this framework and taxonomy as people and their actions influence risk across all levels of the organization.

As previously reported in the July report to the Governance Committee, the E & C Office developed a tool to assist the Human Resources recruiters explain various ethics requirements to prospective new hires so that these new employees are fully aware of the legal requirements and expectations of government employees. This tool was provided to all Human Resources recruiters across the organization and is currently in use. It is expected that communicating information during the recruitment process about outside employment approvals, conflicts of interest, the 'reverse two year bar,' securities ownership and post-employment restrictions will reduce the likelihood of adverse ethics issues occurring after employees have joined the NYPA workforce.

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

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

Training and Outreach

The Public Integrity Reform Act of 2011 ('PIRA') requires the presentation of an initial Comprehensive Ethics Training Course ('CETC') to JCOPE Financial Disclosure Program participants and refresher training of those employees who have already completed the CETC every three years thereafter. The original CETC training occurred in 2013, thus triggering the need for follow up training in 2016. The E & C Office provided live training in the White Plains Office and each of its operating facilities during the 4th quarter of 2016. In all, 687 employees received the CETC. NYPA certified its trainee list as required by law on January 31, 2017.

In February 2017, JCOPE offered train-the-trainer sessions for agency ethics officers to deliver the newly developed Refresher training course which satisfies the requirement for periodic follow-up training after employees have completed the initial CETC mandated training. Both Joseph Gryzlo and Louise Nestler are now certified to provide this 90 minute refresher training going forward. They will continue to provide required training to newly hired employees and current employees as they become participants in the Financial Disclosure program.

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

Financial Disclosure

Mandatory Financial Disclosure certifications were submitted to JCOPE by the statutory deadline of February 28, 2017. In addition to certifying the NYPA and Canals Corporation participants' information, the E & C Office facilitated the designation that members of the Western New York Power Proceeds Allocation Board, the newly constituted Northern New York Power Proceeds Allocation Board, the Economic Development Power Allocations Board and the Canals Recreation-way Commission are all subject to Financial Disclosure requirement. Each of these entities' members are designated policy makers and will be required to submit Financial Disclosure forms annually and participate in any required training.

NYPA reported 913 employees in the Financial Disclosure program. Of those, there were 185 designated policy makers, 463 statutory threshold filers and 265 employees serving in title exempt positions or having received individual exemptions.

The E & C Office continues to provide on-going guidance and information to participants in the Financial Disclosure program. JCOPE's transition to a new electronic filing system has required our office to secure administrative rights through the Governor's Office of Employee Relations and its Information Technology bureau to establish accounts for new participants through the NY.gov web portal. We expect that the upcoming May 2017 filing will have fewer technical issues as JCOPE has had the opportunity to address outstanding concerns during this inaugural year using the new filing system. Employees will receive internal notification regarding filing requirements and deadlines via e-mail in late March, followed by official notification from JCOPE in early April. Filings are due on May 15, 2017.

NYS Canal Corporation

The E & C Office communicated with staff from the NYS Canals Corporation and NYS Thruway Authority to ensure a successful transition for the January 1, 2107 operational take-over of the NYS Canal Corporation. Discussions included the status of open investigations and expectations for their closure prior to integration, staff training compliance, the Canal Corporation's Whistleblower Hotline, the above mentioned annual ethics training and other mandatory ethics reports' completion and filing with JCOPE.

NYPA's E & C Office will provide direct oversight of the ethics function and coordination of investigations for the Canal Corporation. The transitional service agreement allows for consultation with Thruway staff for historical guidance and ongoing collaboration. A complete discussion of Canals related topics will be provided in a report the Governance Committee of the NYS Canals Corporation.

RELIABILITY STANDARDS COMPLIANCE

SUMMARY

This report highlights important aspects of NYPA's NERC Reliability Standards compliance management program for the period July 26, 2016 to March 21, 2017. 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, there were two (2) new possible violations of the NERC Reliability Standards reported to the Northeast Power Coordinating Council ('NPCC').

1. VAR-002 - Generator Operation for Maintaining Network Voltage Schedule: A generating unit was placed online with its automatic voltage regulator ('AVR') enabled but not its power system stabilizer ('PSS') for about a 9.5 hour period. As required by the reliability standard, NYPA, as a Generator Operator, did not notify the NYISO, its Transmission Operator, of the status change of its PSS within 30 minutes.
2. CIP-014 - Physical Security: During the implementation of this standard, NYPA, as a Transmission Owner, did not properly identify its 'primary control centers' as defined in this specific reliability standard. Additionally, NYPA did not identify all of its substations that were planned to be in-service within the 24-month period from the date of the initial risk assessment (i.e. Fraser Annex and Dolson Avenue were not included in the initial risk assessment).

These possible violations were determined to be of minimal impact to the Bulk Electric System ('BES'). As such, RSC self-reported these to NPCC under the self-logging process. If NPCC concurs with the assessment, then there will be no monetary penalty.

On July 28, 2016 the Northeast Power Coordinating Council ('NPCC'), under the Notice of Compliance Exception program, determined that NYPA's self-reported potential violation for CIP-007-3 – Systems Security Management posed minimal risk to the reliability of the BES and was appropriately mitigated by NYPA. As such, NPCC notified NYPA that the matter is closed. This incident was investigated internally pursuant to NYPA's Potential Violation Concern procedures.

Investigations of Possible Violations

During the reporting period, Technical Compliance initiated thirteen (13) investigations of possible violations of the NERC Reliability Standards. Eight (8) are active investigations, with preliminary determinations of possible violations that pose minimal risk to the reliability of the Bulk Electric System; these possible violations will be processed under the self-logging process. Two (2) possible violations were reported to the Northeast Power Coordinating Council (NPCC) in December 2016 under the self-logging process. The remaining three (3) investigations resulted in a determination of no possible violations. This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Risk-Based Evidence Management Program

Effective in late 2015, NPCC revamped the self-certification process to a risk-based model. The new process is referred to as the Guided Self-Certification program. This program is being administered to entities in the NPCC region in lieu of the previous annual self-certification program. In response, Technical Compliance has implemented a Risk-Based Evidence Management Program for identifying areas of risk and appropriate frequency for compliance evidence updates and evaluation for the NERC Reliability Standards applicable to NYPA. This process ensures that NYPA's compliance program is in-line with NERC's risk-based Compliance Monitoring and Enforcement Program and the NPCC guided self-certification process. In 2016, Technical Compliance identified fifty-five (55) NERC Reliability Standards whose evidence was to be reviewed and updated in 2016. Technical Compliance conducted compliance evidence reviews of fifty (50) NERC Reliability Standards. The remaining five (5) will be carried over to 2017. In 2017, Technical Compliance has identified forty-three (43) NERC Reliability Standards whose evidence will be reviewed and updated.

Guided Self-Certification of Compliance

During the reporting period, NYPA was required to and did self-certify compliance for CIP-002-5.1 – Bulk Electric System Cyber System Categorization on July 15, 2016 and PRC-006-NPCC R4 and R7 – Automatic Under-frequency Load Shedding on September 20, 2016 for the Transmission Owner registration. Technical Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self-certifies compliance with NPCC.

NERC Risk-Based Compliance Monitoring and Enforcement Program

As part of its Risk-Based Compliance Monitoring and Enforcement Program, NPCC completed its evaluation of NYPA's NERC Compliance Risk-Based Program. This evaluation, which was led by Technical Compliance, included an Inherent Risk Assessment (IRA) and Internal Control Evaluation ('ICE'). This process required the development of new governance documents, including internal controls process flow diagrams for specific Reliability Standards.

The initial NYPA IRA was developed in July 2015 and its corresponding ICE was completed in early 2017, after NPCC conducted an onsite internal control evaluation on October 18 and 19. In its ICE report, NPCC concluded that due to NYPA's robust NERC compliance internal controls, NPCC will significantly reduce the number of O&P Reliability Standards that are subject to the standard active monitoring method. Subsequent to NPCC issuing its ICE report, NPCC issued an updated IRA on January 24, 2017. As such, it is anticipated that NPCC will perform an additional ICE in 2017. This demonstrates the this process is dynamic and will require Technical Compliance to work continuously with Compliance Evidence Managers and subject matter experts to keep NYPA's NERC Compliance Risk-Based Program up-to-date.

Bulk Electric System (BES) Definition

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

NYPA has successfully executed various agreements with other NY Transmission Owners and the New York State Independent System Operator ('NYISO') to minimize the impact of the BES definition. With these agreements, NYPA has avoided substantive non-recurring and recurring work to manage compliance with what could have been over 500 requirements under the Transmission Operator and Transmission Planner registrations.

During the reporting period, the Plattsburgh 115kV capacitor banks 5 and 6 BES exclusion exception request was approved by NERC on September 9, 2016. As a result, these capacitors are not considered to be BES elements. Additionally, NYPA and Alcoa representatives met with NPCC and NERC to discuss the Moses-Alcoa ('MAL') 115kV transmission lines exclusion exception request from the BES definition.

The exclusion exception request for the MAL transmission lines is still in process. In the interim, a tolling agreement between Alcoa, NERC, NYPA, and NPCC was extended until July 1, 2017 in order to allow the parties additional time to seek resolution of issues relating to the exception request these transmission lines. A NERC-led review panel met on January 10, 2017 to evaluate the exception request and determined that additional information is required prior to issuing a decision.

Critical Infrastructure Protection Standards - Version 5 (CIP V5)

During the reporting period, NYPA successfully completed the transition from a CIP Version 3 program to a CIP Version 5 program that satisfies the requirements set forth by these Reliability Standards prior to the July 1, 2016 enforcement date for High and Medium Impact BES Cyber System Assets.

With this accomplishment, Technical Compliance and Compliance Evidence Managers have shifted its focus towards integrating Low Impact BES Cyber Systems into the CIP Version 5 Program prior to the April 1, 2017 enforcement date. Technical Compliance is managing this integration to include SENY and upstate Low Impact facilities and cyber system assets into the CIP compliance program. In addition, Technical Compliance is also managing the transition to address new CIP Version 6 requirements as it relates to transient device/removable media and non-programmable cabling and cyber system assets associated with Electronic Security Perimeters.

NYPA with Technical Compliance leading the effort continue to engage Con Edison's compliance and security staff regarding the NERC CIP V5 / V6 Reliability Standards compliance requirements associated with the NYPA's Astoria Annex, Sprainbrook and North Transition substations. Con Edison has agreed to apply its CIP V5 / V6 processes to NYPA's cyber systems/assets in these substations. Discussions and meetings are in progress to confirm details regarding the implementation of Con Edison processes on these assets. The agreement is anticipated to be revised and executed by end of 2016. Similarly, NYPA is also engaging LIPA / PSEG to modify the existing agreement for NYPA's East Garden City and South Transition substations as it relates to NERC CIP V5 / V6 Reliability Standards compliance requirements. This agreement is also anticipated to be revised and executed by end of 2016.

Technical Compliance is confident that these compliance responsibility matrices and the required compliance actions required for Low Impact BES Cyber Systems and CIP V6 will be met prior to the April 1, 2017 compliance deadline.

Critical Infrastructure Protection (CIP) and Operations & Planning (O&P) Audit Preparation

NYPA is scheduled for an offsite O&P audit in late Q1 2017 and an onsite CIP audit in early December 2017.

For the O&P audit, NYPA received its audit notification on January 27. As such, Technical Compliance, with the support of Navigant Consulting Inc., is working with various Compliance Evidence Managers and subject matter experts in concluding the audit readiness efforts in order to meet the March 27 deadline for evidence submission to NPCC. This audit is expected to be concluded by April 27.

For the CIP audit, audit readiness efforts are on-going as Technical Compliance, continues to work with various Compliance Evidence Managers and subject matter experts. As part of the audit readiness work plan, compliance assessments have taken place in Q4 2016 and will continue up until 2Q 2017. The key objective of these compliance assessments is to benchmark evidence and processes and identify areas that need improvement. The CIP audit will cover the full aspects of the current CIP Reliability Standards, thus, compliance readiness efforts are imperative and should be completed prior to October 2017.

Physical Security Standard

As a result of 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-014-2 – Physical Security) which was approved by FERC on November 20, 2014 and became effective October 1, 2015.

As of December 15, 2016, NYPA successfully implemented the compliance requirements for this Reliability Standard. As a result of the required technical and physical security assessments, NYPA has eighteen (18) Transmission Facilities that meet the applicable criteria. Four (4) of these Transmission Facilities are substations that if inoperable or damaged as a result of a physical attack could result into a cascading event. Thus, these substations require specific physical security plans that are designed to deter, detect, delay, assess, communicate, and respond to potential physical threats and vulnerabilities. Additionally, NYPA has three (3) primary control centers that require physical security plans.”

5. **Next Meeting**

Chairperson Kress said the next regular meeting of the Governance Committee is to be held on Tuesday, July 25, 2017 at a time to be determined.

Closing

Upon motion made and seconded, the meeting was adjourned by the Chair of the Committee at approximately 8:49 a.m.

Karen Delince

Karen Delince
Corporate Secretary

March 29, 2017

EXHIBITS

For

March 29, 2017

Governance Committee

Meeting Minutes

PROCUREMENT CONTRACTS SUMMARY **January – December 2016**

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 through December 31, 2016. These contracts have been active during 2016 and are \$5,000 or greater in value. There are 2,376 such contracts with a total estimated value of more than \$4 billion not including fossil fuel or corporate finance expenditures covered in Sections 2b-5 and 2b-6 of this report. Total expenditures in 2016 have exceeded \$493 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:

- 9% of these contracts are for Construction Services;
- 46% are for the purchase of Equipment and Commodities;
- 3% are for Architectural, Engineering Services and Legal;
- 15% are for Personal Service contracts such as professional consulting services;
- 27% are for Non-Personal Service contracts such as maintenance, technicians, contracted personnel and repairs.

Based on the total value of the contracts included in this summary (\$4 billion), approximately 99% of contracts (with a total contract value of approximately \$3.9 billion), were competitively bid. In 2016, approximately 1% of contracts (with a total contract value of approximately \$55 million), were sole/single-source awards, which included over \$2.5 million in Minority- and Women-owned Business Enterprises (MWBs), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

DISPOSAL OF PERSONAL PROPERTY **January – December 2016**

2016 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 in excess of \$5,000 in value that was 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 (rebranded Strategic Supply Management) is required to report to the Committee at all regularly scheduled meetings. To that end, the 2016 Annual Report of Disposal of Personal Property over \$5,000 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 2016 Annual Report of Disposal of Personal Property for review and approval by the full Board of Trustees at their March 21, 2017 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 2016 Public Authorities Reporting Information System (“PARIS”) Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2017.

FACILITIES and WPO – Third and Fourth Quarter 2016 Activity

During the reporting period, there were five (5) Personal Property Disposal transactions over \$5,000 in value, as further set forth on page 1 of the attached Report. Of this number, two competitively bid transactions were for the sale of scrap metals at the St. Lawrence/FDR Project, resulting in payment to the Authority of \$35,601.00; one competitively bid transaction was for the sale of used generator parts at the Richard M. Flynn Project, resulting in payment to the Authority of \$9,757.00; one competitively bid transaction was for the sale of scrap metals at the Blenheim-Gilboa Project, resulting in payment to the Authority of \$11,300.00; and one transaction was for the sale of Allen Bradley displays, conducted on behalf of the St. Lawrence/FDR Project by the New York State Office of General Services via an Ebay sale, resulting in payment to the Authority of \$10,349.90 after fees were deducted. The “Sale Price” (Gross) for these five transactions was \$67,258.00; the “Price Received by the Authority” (Net) was **\$67,007.90**.

The Authority also realized an additional **\$63,290.00** for the waiver of storage fees in consideration of transferring the WPO fuel cell spare parts to Doosan. As a result, the combined Third and Fourth Quarter total “Price Received by the Authority” (Net) was **\$130,297.90**.

FACILITIES and WPO – 2016 Annual Summary and Subtotal

During the First and Second Quarters, there were no reportable Personal Property Disposal transactions over \$5,000 in value conducted by or on behalf of the Facilities or the White Plains Office. Therefore, the **2016 Annual Total “Price Received by the Authority” for the five (5) above-referenced Personal Property Disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) at the Facilities and WPO, as well as for the waiver of fuel cell spare part storage fees, was \$130,297.90**.

FLEET – Third and Fourth Quarter 2016 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 JJ Kane Auctioneers (of Maple Shade, NJ) on December 10, 2016 at the National Grid auction facility in Rome, NY. Such auction, which consisted of both a physical presence as well as an online component, resulted in the sale of a total of 44 units or lots comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 16 disposal transactions with a Sale Price over \$5,000, which are listed on pages 2-4 of the attached Report. The auction "Sale Price" (Gross) as well as the "Price Received by the Authority" (Net) for these 16 units or lots was \$326,000, (since no transportation and other fees were charged by JJ Kane.)

Additionally, one Fleet-related transaction resulting from an online only auction was conducted by Auctions International on behalf of the Authority, for the sale of a 1999 John Deere tractor, resulting in payment to the Authority of \$6,450.00, for a combined Third and Fourth Quarter total "Price Received by the Authority" (Net) of **\$332,450**.

FLEET – 2016 Annual Summary and Subtotal

In addition to the aforementioned Third and Fourth Quarter activity, 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 June 25, 2016 at L&L Storage in Utica, NY. Such auction, which consisted of both a physical presence as well as an online component, resulted in the sale of a total of 75 units or lots comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 34 disposal transactions with a Sale Price over \$5,000, which are listed on pages 2-4 of the attached Report. The auction "Sale Price" (Gross) for these 34 units or lots was \$446,700.00, which resulted in a "Price Received by the Authority" (Net) of **\$441,519.00** after transportation and other costs were deducted.

The Authority also received one Fleet-related Trade-in credit for a Pisten Bully Scout ATV, in the amount of \$110,000.00, which was applied toward the purchase of another vehicle, as further set forth on page 4 of the attached Report. The Trade-in value (reported as both "Sale Price" and "Price Received by the Authority") was **\$110,000.00**.

In summary, the **2016 Annual Fleet Total "Price Received by the Authority" was \$883,969.00 (comprising \$773,969.00 for the 51 Fleet-related transactions over \$5,000, plus \$110,000 for the trade-in credit).**

Grand Total as of 12/31/16

As summarized on page 4 of the attached Report, the **2016 Annual Grand Total "Price Received by the Authority" (Net Amount)** for all Personal Property in excess of \$5,000 was **\$1,014,266.90** [Sale Price (Gross) \$1,019,848.00 less \$5,581.10 (transportation and other costs or fees, where applicable)]. (It should be noted that an additional \$148,500.00 was received for the sale of 70 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

2016 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	FEEs	PRICE RECEIVED * by the Authority
USED GENERATOR PARTS AT FLYNN PROJECT	POWER CHEM EQUIPMENT	\$ 9,757.00	---	\$ 9,757.00
SCRAP METALS AT STL PROJECT	EMPIRE RECYCLING CORP	\$ 29,301.00	---	\$ 29,301.00
ALLEN BRADLEY DISPLAYS AT STL PROJECT	SURPLUS RECYCLING INC	\$ 10,600.00	\$250.10	\$ 10,349.90
SCRAP METALS AT STL PROJECT	EMPIRE RECYCLING CORP	\$ 6,300.00	---	\$ 6,300.00
SCRAP METALS AT B-G PROJECT	MILLENNIUM DEMO- LITION	\$ 11,300.00	---	\$ 11,300.00
FUEL CELL SPARE PARTS; EXCHANGED FOR WAIVER OF STORAGE FEES	DOOSAN FUEL CELL AMERICA INC	\$ 63,290.00	---	\$ 63,290.00
	SUBTOTAL:	\$ 130,548.00	\$250.10	\$ 130,297.90

*Sale Price less fees (for NYS OGS Ebay sale)

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 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
1990 GROVE MZ90 MANLIFT	RAULLI AND SONS INC	\$ 8,750.00	---	\$ 8,750.00
1999 JOHN DEERE TRACTOR	JAMES FEELY	\$ 6,600.00	\$ 150.00	\$ 6,450.00
2002 NEW HOLLAND LS170 LOADER	ANTHONY DINITTO	\$ 13,400.00	\$ 150.00	\$ 13,250.00
2003 BOBCAT 334D EXCAVATOR	MICHAEL J COE	\$ 17,000.00	---	\$ 17,000.00
2003 GRADALL TELEHANDLER	NORTHEAST HEAVY EQUIP PARTS INC	\$ 29,750.00	\$ 160.00	\$ 29,590.00
2004 BOBCAT TELEHANDLER	PAUL MCDUGAL	\$ 15,000.00	\$ 160.00	\$ 14,840.00
2004 CATERPILLAR BACKHOE	MOHAWK INDUSTRIAL WERKS LLC	\$ 23,500.00	\$ 160.00	\$ 23,340.00
2004 NEW HOLLAND TL90 TRACTOR	GEORGE LUNSHOF EQUIPMENT INC	\$ 35,000.00	---	\$ 35,000.00
2004 NEW HOLLAND TL90 TRACTOR	PAUL MASSEY	\$ 16,000.00	\$ 160.00	\$ 15,840.00
2004 STERLING LT9 DUMP TRUCK	BUDDIE ALLEN	\$ 39,000.00	---	\$ 39,000.00
2004 VOLVO VHD64BT TRACTOR	CASSONE TRUCK AND EQUIP SALES INC	\$ 27,500.00	---	\$ 27,500.00
2005 BOBCAT T250 SKID-STEER	KENNETH LUGIBIHL	\$ 21,000.00	---	\$ 21,000.00
2005 CATERPILLAR 226B LOADER	TIMOTHY CRAFT	\$ 16,500.00	---	\$ 16,500.00
2005 CHEVY K2500 PICKUP	NORMAN HABIB	\$ 13,900.00	\$ 140.00	\$ 13,760.00
2005 EAGER BEAVER TRAILER	HOWE DOES IT	\$ 17,000.00	\$ 160.00	\$ 16,840.00
2005 INTERNATIONAL 7400SFA	CHEMAY EQUIPMENT INC	\$ 30,000.00	---	\$ 30,000.00
2005 PISTEN BULLY ATV	DANIEL BLANCHET	\$ 19,000.00	\$ 160.00	\$ 18,840.00
2006 CATERPILLAR D5G XL DOZER	O'CONNELL ELECTRIC COMPANY INC	\$ 65,000.00	---	\$ 65,000.00
2006 CATERPILLAR IT38G LOADER	L & L SURPLUS OF UTICA INC	\$ 54,500.00	\$ 411.00	\$ 54,089.00
2007 CATERPILLAR IT38G LOADER	RLO LLC	\$ 44,500.00	\$ 200.00	\$ 44,300.00
2007 CHEVY TAHOE	THE CAR STORE INC	\$ 11,000.00	\$ 140.00	\$ 10,860.00
2007 POLARIS RANGER ATV	NORTHEAST HEAVY EQUIP PARTS INC	\$ 5,200.00	\$ 100.00	\$ 5,100.00

* Sale Price less transportation and other costs, as applicable

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 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 TOYOTA HIGHLANDER	ALBANY EXCHANGE INC	\$ 9,300.00	\$ 140.00	\$ 9,160.00
2008 CHEVY AVALANCHE	BRAVO AUTO SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2008 FORD CARGO VAN	ALBANY EXCHANGE INC	\$ 9,100.00	\$ 140.00	\$ 8,960.00
2008 FORD ESCAPE	SENECALS	\$ 6,100.00	\$ 140.00	\$ 5,960.00
2008 FORD ESCAPE	SENECALS	\$ 6,400.00	\$ 140.00	\$ 6,260.00
2008 FORD F250 PICKUP	PAUL MASSEY	\$ 9,000.00	\$ 140.00	\$ 8,860.00
2008 FORD F250 PICKUP	PAUL MASSEY	\$ 12,200.00	\$ 140.00	\$ 12,060.00
2008 FORD F350 PICKUP	JOHN VIRAG	\$ 9,400.00	\$ 140.00	\$ 9,260.00
2008 FORD F350 UTILITY TRUCK	SYRACUSE SIGNAL SYSTEMS INC	\$ 12,500.00	---	\$ 12,500.00
2008 FORD F550 UTILITY TRUCK	ACE EQUIPMENT NORTH	\$ 12,000.00	---	\$ 12,000.00
2009 DODGE DURANGO	S & M EQUIPMENT LEASING	\$ 5,250.00	\$ 140.00	\$ 5,110.00
2009 DODGE DURANGO	CATHERINE L OLAH	\$ 5,500.00	---	\$ 5,500.00
2010 CHEVY SUBURBAN	THE CAR STORE INC	\$ 11,750.00	\$ 140.00	\$ 11,610.00
2010 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2010 CHEVY TAHOE	TIVERTON MOTOR SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2010 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 7,500.00	\$ 140.00	\$ 7,360.00
2010 CHEVY TAHOE	THE CAR STORE INC	\$ 8,400.00	\$ 140.00	\$ 8,260.00
2010 FORD ESCAPE	ALBANY EXCHANGE INC	\$ 9,000.00	\$ 140.00	\$ 8,860.00
2011 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 7,500.00	\$ 140.00	\$ 7,360.00
2011 CHEVY TAHOE	COTRUPE AUTO SALES	\$ 6,750.00	\$ 140.00	\$ 6,610.00
2011 CHEVY TAHOE	JOHN VIRAG	\$ 6,700.00	\$ 140.00	\$ 6,560.00
2011 CHEVY TAHOE	KAMMAR RESTAURANT EQUIPMENT	\$ 8,000.00	\$ 140.00	\$ 7,860.00

* Sale Price less transportation and other costs, as applicable

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 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
2011 FORD F250 PICKUP	CLIMBING BINES HOP FARM LLC	\$ 12,000.00	\$ 140.00	\$ 11,860.00
2011 FORD F250 PICKUP	JJ KANE AUCTIONEERS	\$ 14,500.00	---	\$ 14,500.00
2012 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2012 CHEVY TAHOE	LENORE V JAQUIN	\$ 7,750.00	---	\$ 7,750.00
2012 FORD ESCAPE	BRAVO AUTO SALES INC	\$ 6,600.00	\$ 140.00	\$ 6,460.00
2012 FORD ESCAPE	SEAMON FARM	\$ 6,250.00	---	\$ 6,250.00
2013 CHEVY TAHOE	JJ KANE AUCTIONEERS	\$ 7,750.00	---	\$ 7,750.00
TRADE-IN CREDIT FOR 2014 PISTEN BULLY SCOUT ATV	MOHAWK INDUSTRIAL WERKS LLC	\$ 110,000.00	---	\$ 110,000.00
FLEET SUBTOTAL:		\$ 889,300.00	\$ 5,331.00	\$ 883,969.00
+ SUBTOTAL Page 1:		<u>\$ 130,548.00</u>	<u>\$ 250.10</u>	<u>\$ 130,297.90</u>
GRAND TOTAL:		<u>\$1,019,848.00</u>	\$ 5,581.10	<u>\$1,014,266.90</u>

* Sale Price less transportation and other costs, as applicable

SUPPLIER DIVERSITY PROGRAM (SDP)
January – December 2016

From January through December 2016, the Authority expended \$51.9 million or 19.41% of its reportable expenditures with New York State-certified Minority and Women-Owned Business Enterprises (MWBEs). In the quarter ending December 31, 2016, the Authority expended \$12.9 million or 16.6% of its reportable expenditures to MWBEs. This includes direct contracts and subcontracts, as well as construction and energy efficiency-related work. It should also be noted that during calendar year 2016, Treasury's transactions with NYS-certified MWBE financial dealers exceeded \$240.8 million or 28.4% in principal sales and purchases for the Authority.

From January through December 2016, the Authority awarded \$1.2 million to Service-Disabled Veteran-Owned Businesses (SDVOBs), with over \$618,000 during the Fourth quarter. Transactions with NYS-certified SDVOB financial dealers exceeded \$176 million or 20.8% in principal sales and purchases for the Authority. The Authority continues to be recognized by the Office of General services as one of the leading agencies in this area.

The Authority works diligently with Empire State Development and the Office of General Services to meet their respective legislative requirements.

On January 9, 2017, New York Governor Andrew Cuomo signed Executive Order 162 requiring state agencies and authorities to include a provision in state contracts requiring contractors to agree to include detailed workforce utilization reports. It will apply to all State contracts, agreements, and procurements issued and executed on or after June 1, 2017. Contractors and subcontractors will be required to report the information on a quarterly basis for all prime contracts with a value in excess of \$25,000 except for prime construction contractors having a value in excess of \$100,000, who shall report on a monthly basis.

The Supplier Diversity Team is engaged with the Canal Corporation and will work to maximize procurement opportunities with the NYS-certified MWBE, SDVOB and SBE communities in support of our supplier diversity programs. The Canal Corporation is subject to the same legislative requirements regarding MWBE and SDVOB utilization as the Authority. The goods and services sought in support of the Canal operations remain as challenging from an MWBE perspective as that of the energy industry. However, the Authority, to the extent possible will continue its best effort to support the diverse communities we serve.

INVENTORY STATISTICS
January - December 2016

Facility	2016	2015
Niagara	17,980,724 ¹	20,389,843
St. Lawrence	14,353,129 ²	12,273,884
Blenheim-Gilboa	8,857,407	8,629,964
Clark Energy Center	6,420,115	5,630,072
Poletti Project	9,152,218	8,126,820
Flynn Project	7,090,659 ³	14,288,459
500 MW Project	25,996,369	25,396,804
Total Stock Value	\$ 89,850,621	\$ 94,735,846

¹ Includes \$2.0 million reduction for NIA Dual Voltage Transformer installed in RM Unit 5 to replace the fire damaged transformer.

² Includes \$1.4 million for STL net purchases of:
\$800K for Headgate Motor Control Panels
\$178K for 765KV Disconnect Switches & Lattice Structure Supports
\$213K for Potent Transformers
\$172K for Reinhausen Transducer
\$200K for Lubron Bushings

³ Includes \$6.6 million reduction for materials issued to support Flynn's 2015 major outage:
\$1.3 million for Turbine Inner Casing Replacement, and
\$5.2 million for Turbine Blades and Vanes

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

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 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \n C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1	9	N	N		\$14,770,293	\$14,770,293	\$629,070	\$0	4/1/1994		3/31/2019	
FD-1990-34	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1	9	N	N		\$4,507,832	\$4,507,832	\$147,546	\$0	10/1/1993		3/31/2019	
FD-2002-11	PSEG EnergyResourcesTrade 80 Park Plaza Floor T-19 Newark NJ 07102	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$11,017,721	\$11,017,721	\$0	\$0	11/1/2002		*	
FD-2003-09	J. Aron and Company 85 Broad Street New York NY 10004	NAESB Agreement for Natural Gas	E	B	9	N	N	32	\$83,241,402	\$83,241,402	\$0	\$0	4/22/2003		*	
FD-2003-10	BP Energy Company 201 Helios Way Houston TX 77079	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$209,239,992	\$209,239,992	\$2,597,035	\$0	10/1/2004		*	
FD-2003-12	Exelon Generation Company, LLC 100 Constellation Way Baltimore MD 21202	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$55,860,651	\$55,860,651	\$0	\$0	6/9/2003		*	
FD-2003-14	Colonial Energy Inc. 3975 Fair Ridge Drive Fairfax VA 22033	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$507,151,410	\$507,151,410	\$8,837,102	\$0	7/1/2003		*	
FD-2003-15	Virginia Power Energy Mktg P.O. Box 25773 Richmond VA 23260	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$629,265,426	\$629,265,426	\$0	\$0	7/11/2003		*	
FD-2004-08	Shell Energy North America (US), L.P. 1000 Main Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$78,054,511	\$78,054,511	\$497,287	\$0	4/1/2004		*	
FD-2005-12	NJR Energy Services Co 1415 Wyckoff Road Wall NJ 07719	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$423,869,223	\$423,869,223	\$13,410,065	\$0	9/1/2005		*	
FD-2006-09	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1	9	F	N		\$16,257,514	\$16,257,514	\$1,559,230	\$0	8/4/2006		4/1/2017	
FD-2007-10	Eastern Generation, LLC 18-01 20th Avenue Astoria NY 11105	Oil Delivery Labor Fees	E	1	9	N	N		\$60,771	\$60,771	\$0	\$0	7/1/2006		*	
FD-2008-05	Sequent Energy Mgmt LP 1200 Smith Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$36,565,826	\$36,565,826	\$7,820	\$0	3/1/2008		*	
FD-2008-06	Macquarie Energy LLC 500 Dallas Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$47,096,447	\$47,096,447	\$0	\$0	7/1/2008		*	
FD-2008-09	Con Edison 4 Irving Place New York NY 10003	LDC Agreement	E	1	9	N	N		\$26,276,654	\$26,276,654	-\$64,938	\$0	8/1/2008		6/30/2019	
FD-2008-10	United Energy Trading, LLC 215 Union Boulevard Lakewood CO 80228	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$158,345,320	\$158,345,320	\$29,000	\$0	11/19/2008		*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	O P A	M O B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \n C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2009-07	Conoco Phillips Company 600 North Dairy Ashford Houston TX 77079	NAESB Agreement for Natural Gas	E	1	9	F	N	32	\$38,175,979	\$38,175,979	\$5,806,470	\$0	5/1/2009		*	
FD-2009-08	NextEra Energy Power Marketing, LLC 700 Universe Blvd Juno Beach FL 33408	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$2,665,640	\$2,665,640	\$2,665,640	\$0	12/1/2009		*	
FD-2010-02	ENSTOR Energy Services, LLC 20329 State Highway 249 Houston TX 77070	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$17,700,034	\$17,700,034	\$219,800	\$0	8/9/2010		*	
FD-2011-06	EDF Trading North America, LLC 4700 West Sam Houston Houston TX 77041	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$184,833,644	\$184,833,644	\$11,157,056	\$0	6/1/2011		*	
FD-2011-10	Tenaska Gas Storage, LLC 14302 FNB Parkway Omaha NE 68154	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$1,251,315	\$1,251,315	\$0	\$0	12/1/2011		*	
FD-2011-11	Statoil Natural Gas, LLC 120 Long Ridge Road Stamford CT 06902	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$16,181,210	\$16,181,210	\$1,278,492	\$0	4/18/2012		*	
FD-2012-02	Repsol Energy North America Corporation 2455 Technology Forest Rd The Woodlands TX 77381	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$38,174,650	\$38,174,650	\$1,448,117	\$0	11/13/2012		*	
FD-2013-06	Chesapeake Energy Marketing, LLC P.O. Box 18496 Oklahoma City OK 73154-0496	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$24,212,996	\$24,212,996	\$11,901,391	\$0	5/28/2013		*	
FD-2014-08	Spark Energy Gas, LLC 12140 Wickchester Lane Houston TX 77079	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$241,639,623	\$241,639,623	\$30,174,800	\$0	2/1/2014		*	
FD-2014-12	EQT Energy, LLC 625 Liberty Ave Pittsburgh PA 15222-3111	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$108,246	\$108,246	\$108,246	\$0	5/1/2014		*	
FD-2014-14	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement	E	1	9	N	N		\$4,459,770	\$4,459,770	\$1,999,873	\$0	5/30/2014		5/31/2017	
FD-2014-15	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1	9	N	N		\$1,128,156	\$1,128,156	\$91,232	\$0	5/30/2014		5/31/2017	
FD-2014-16	Pacific Summit Energy LLC 2010 Main Street Irvine CA 92614	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$38,146,928	\$38,146,928	\$7,280,055	\$0	8/11/2014		*	
FD-2015-03	Cabot Oil & Gas Corporation 840 Gessner Road Houston TX 77024-4152	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$2,439,304	\$2,439,304	\$0	\$0	3/2/2015		*	
FD-2015-04	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1	9	N	N		\$3,235,391	\$3,235,391	\$1,892,044	\$0	1/1/2015		3/31/2017	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

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 A I N T E N A N C E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \n C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2015-05	DTE Energy Trading, Inc. 414 South Main Street Ann Arbor MI 48104	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$18,246,867	\$18,246,867	\$15,930,836	\$0	8/14/2015		*	
FD-2015-07	Definite Energy Group 575 Lexington Ave New York NY 10022	NAESB Agreement for Natural Gas	E	B	9	N	3	32	\$292,165	\$292,165	\$289,635	\$0	10/1/2015		*	
FD-2015-10	Direct Energy Business Marketing, LLC 194 Wood Ave South Iselin NJ 08830	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$809,498	\$809,498	\$809,498	\$0	12/14/2015		*	
FD-2016-02	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AEII Demand Charges	E	1	9	N	N		\$4,590	\$4,590	\$4,590	\$0	5/1/2016		4/30/2019	
FS-1994-17	Merrill Lynch Commodities, Inc. 20 East Greenway Plaza Houston TX 77046	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$276,023,906	\$276,023,906	\$296,336	\$0	7/1/1994		*	
FD-2001-23	Sempra 58 Commerce Road Stamford, CT 06902	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$168,290,671	\$168,290,671	\$0	\$0	12/01/01	C	*	3/31/2016
FD-2004-09	Southwest Energy LP Two Greenway Plaza Houston, TX 77046	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$180,117,537	\$180,117,537	\$0	\$0	6/1/2004	C	*	3/31/2016
FD-2005-02	Boss Energy Ltc 20445 State Hwy 249 Houston, TX 77070	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$73,839,766	\$73,839,766	\$0	\$0	1/25/2005	C	*	3/31/2016
FD-2006-03	UBS AG / UBS Energy LLC 677 Washington Blvd Stamford, CT 06901	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$126,500,213	\$126,500,213	\$0	\$0	7/28/2006	C	*	3/31/2016
FD-2006-05	Petrocom Ventures Ltd 1616 S. Voss Suite 945 Houston, TX 77057	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$44,715,916	\$44,715,916	\$0	\$0	7/21/2006	C	*	3/31/2016
FD-2008-01	eCORP Energy Marketing 10000 Memorial Houston, TX 77024-3410	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$72,450	\$72,450	\$0	\$0	2/1/2008	C	*	3/31/2016
FD-2008-12	eServices LLC 4461 Cox Road Suite 113 Glenn Allen, VA 23060	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$520,725	\$520,725	\$0	\$0	12/1/2008	C	*	3/31/2016
FD-2007-09	Inupiat Energy Marketing, LLC 5373 W. Alabama Houston TX 77056	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$148,511,468	\$148,511,468	\$0	\$0	3/21/2007	C	*	4/15/2016
FD-2011-02	Yaka Energy, LLC 46411 Timine Way Pendleton OR 97801	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$12,266,833	\$12,266,833	\$0	\$0	3/1/2011	C	*	5/31/2016
FD-2010-01	JLA Energy LLC Two Riverway Houston TX 77056	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$1,286,927	\$1,286,927	\$0	\$0	2/1/2010	C	*	6/24/2016
FD-2008-02	CIMA Energy, Ltd 100 Waugh Houston TX 77007	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$14,597,304	\$14,597,304	\$0	\$0	3/1/2008	C	*	9/26/2016

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O A	M P A	B E	D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2011-01	BG Energy Merchants, LLC 811 Main Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N		32	\$79,245,677	\$79,245,677	\$0	\$0	3/1/2011	C	*	10/1/2016
FD-2006-07	Texas Gas Transmission 3800 Frederica Street Owensboro KY 42304	Firm Gas Transportation Agreement	E	1	9	F	N			\$32,135,546	\$32,135,546	\$1,798,794	\$0	7/1/2006	C	*	10/31/2016
FD-2006-08	Dominion Transmission 120 Tredegar Street Richmond VA 23219	Firm Gas Transportation Agreement	E	1	9	F	N			\$25,405,765	\$25,405,765	\$1,715,590	\$0	7/1/2006	C	*	10/31/2016
FD-2016-03	George E. Warren Corp 3001 Ocean Drive Vero Beach FL 32963	Oil Letter Contract	E	B	9	F	N			\$1,773,636	\$1,773,636	\$1,773,636	\$0	11/10/2016	C	*	11/20/2016
FD-2016-04	Apex Oil Company, Inc. 8235 Forsyth Blvd. Saint Louis MO 63105	Oil Letter Contract	E	B	9	F	N			\$2,625,100	\$2,625,100	\$2,625,100	\$0	11/29/2016	C	*	12/5/2016
FD-2016-04	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	Spill Tax Reimbursement	E	1	9	N	N			\$5,354	\$5,354	\$5,354	\$0	11/29/2016	C	*	12/5/2016
FD-2013-08	Saybolt LP P.O. Box 844640 Dallas TX 752844640	Oil Inspection Agreement	S	B	9	N	N			\$39,030	\$39,030	\$11,601	\$0	1/1/2014	C	*	12/31/2016

FUELS TOTALS

\$4,123,260,823

\$4,123,260,823

\$128,933,403

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

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 ANNUAL REPORT OF PROCUREMENT CONTRACTSExhibit 4b-6
March 21, 2017

JANUARY - DECEMBER 2016

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O A	M B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N			502,075	502,075	20,450		2/24/1998	O	*	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- ARTN	S	C	9	N			275,705	275,705	100	0	9/2/2003	C		3/1/2016
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N			210,800	210,800	27,399	0	10/2/2006	O	*	
Barclays Capital (assigned from Lehman Bros.) ** 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-1	S	C	9	N			1,782,747	1,782,747	121,732	0	7/14/1994	O	*	
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	2	9	N			10,775	10,775	0	0	6/26/2008	O	*	
Citigroup 390 Greenwich Street New York, NY 10013	Re-marketing Agent CP-2	S	C	9	N			519,364	519,364	13,668	0	12/4/1997	O	*	
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing Agent CP-2 and 3	S	C	9	N			1,069,745	1,069,745	32,544	0	12/4/1997	O	*	

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 ANNUAL REPORT OF PROCUREMENT CONTRACTSExhibit 4b-6
March 21, 2017

JANUARY - DECEMBER 2016

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O P A	M B E	D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing EMCP	S	C	9	N			935,913	935,913	29,959	0	3/4/2003	O	*	
Goldman, Sachs & Co. ** 85 Broad Street New York, NY 10004-2456	ART Notes Remarketing	S	C	9	N			2,342,473	2,342,473	-	0	5/15/1985	C		3/15/2016
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N			283,915	283,915	37,923	0	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N			630,624	630,624	8,387	0	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N			555,844	555,844	14,295	0	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2015	S	C	9	N		2	5,719,333	4,901,131	2,826,000	818,202	1/15/2015	O	1/19/2018	

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 ANNUAL REPORT OF PROCUREMENT CONTRACTSExhibit 4b-6
March 21, 2017

JANUARY - DECEMBER 2016

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O P A	M B E	D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Morgan Stanley 1221 Avenue of the Americas New York, NY 10020	Re-marketing Agent CP-1	S	C	9	N		7	418,763	418,763	59,132	0	3/31/2009	O	*	
RBC Capital Markets ** 1211 Avenue of the Americas New York, NY 10036	Re-marketing Agent CP-1	S	C	9	N			676,617	676,617	97,101	0	7/14/1994	O	*	
CORPORATE FINANCE TOTALS								15,934,693	15,116,490	3,288,690	818,202				

NOTES:

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

** Expense History only available from 1997

Introduction to and Summary of Procurement and Personal Property Disposal Guidelines

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") and the Guidelines and Procedures for Disposal of Personal Property ("Personal Property Disposal Guidelines") annually and, if appropriate, recommends adoption by the full Board at the annual meeting (to be held on March 21, 2017).

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 ("MWBE") and Service-Disabled Veteran-Owned Business ("SDVOB") 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 29, 2016.

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. Such changes pertain to **Definitions** and **Solicitation Requirements**, as well as **Contracting Decisions Involving Current or Former Employees** and **Supplier Diversity Program Requirements**, as highlighted below:

- **DEFINITIONS and SOLICITATION REQUIREMENTS:**

The following definition has been amended, pursuant to State Finance Law §§ 139-j and 139-k, as set forth in Section 2.F of the Procurement Guidelines:

"Contact" is any oral, written or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the Authority's conduct or decision regarding the procurement.

The following definition and solicitation requirement has been amended, as set forth in Subsection 3.Q.2 of the Procurement Guidelines:

The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State Contract Reporter) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerers (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.

The solicitation requirement regarding Authority procurement contracts issued pursuant to GSA or OGS contracts has been amended, as summarized below and more fully set forth in Section 3.F:

Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains SSM Department, or facility SSM Departments, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.

- **CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER AUTHORITY EMPLOYEES**, as summarized below and more fully set forth in Section 9.A and Subsection 9.B.3 of the Procurement Guidelines:

Former Authority officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Joint Commission on Public Ethics that such engagement is permissible; and upon approval of the President and Chief Executive Officer, as well as the Chairman of the Board of Trustees.

Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Authority officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Authority, if, prior to engaging in such service, the Chairman of the Board of Trustees certifies in writing to the New York State Joint Commission on Public Ethics that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Authority's needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the reasons for such certification. The New York State Joint Commission on Public Ethics must review and approve all such certifications.

- **SUPPLIER DIVERSITY PROGRAM REQUIREMENTS**, as summarized below and more fully set forth in updated Article 10 of the Procurement Guidelines:

..... Bidders' proposals will include a completed Utilization Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required.....

It should be noted that the Procurement Department has been rebranded Strategic Supply Management ("SSM"). Accordingly, such change as well as other 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 2b-7a) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017. The approved Guidelines will become effective on March 31, 2017 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. For the purposes of these Guidelines, such Property may include, but is not limited to, Authority-owned materials, tools, equipment and vehicles regardless of value. 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 29, 2016.

Staff has reviewed the Personal Property Disposal Guidelines and recommends no substantive changes. Several non-substantive and stylistic changes are set forth in the redlined copy attached hereto as Exhibit 2b-7b to reflect titular or organizational changes.

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 2b-7b) and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2017. The approved Guidelines will become effective on March 31, 2017 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.

GUIDELINES FOR PROCUREMENT CONTRACTS

1. PURPOSE

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

2. DEFINITIONS

- A. “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) and capital projects, 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 Authority’s conduct or decision regarding the procurement.
- G. “Relative” is any person living in the same household as the Authority employee and any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Subsection 9.E.1 of these Guidelines.
- H. “Minority- and Women-owned Business Enterprise” (“MWBE”) is defined as any New York State-certified business enterprise at least 51% of which is owned by black persons, Hispanics, Native Americans, Asians, Pacific Islanders and/or women, and as further described in the Authority’s Supplier Diversity Program Policy and Procedures and Executive Law Article 15-A, and pursuant to the definition found in Executive Law § 310.
- I. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- J. “Single Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one 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.
- L. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.

- M. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$200,000 for the purchase of commodities and/or services from Small Businesses or NYS-certified MWBE or SDVOB firms, and as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$200,000, pursuant to State Finance Law § 163.

3. **SOLICITATION REQUIREMENTS**

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

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

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

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

distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.

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

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

work scope is below a specified monetary threshold. The decision to assign work without conducting a mini-bid shall typically be made jointly by the SSM and initiating departments, and shall be documented for the procurement record.

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

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

awarded to not-for-profit human services providers. (See Article 4-C, Economic Development Law)

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the SSM Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

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

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

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as an Authority representative, a

“competitive search” will be conducted to determine which consultants are most qualified, for reasonable compensation terms, to perform the work. Depending on market conditions, at least five potential sources should be evaluated; if there are fewer than five sources, all sources should be evaluated. The White Plains SSM Department or the appropriate facility SSM Department will work with the initiating department to gather information from potential sources, that will include a description of the consultant/firm’s qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
 2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
 3. A sole supplier’s item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
 4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
 5. The contract is awarded to a Small Business or to a NYS-certified SDVOB or MWBE firm for discretionary purchases not exceeding \$200,000, pursuant to Section 3.D and as further set forth in Section 2.M.
 6. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 7. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.
- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the

successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.

- M. Subject to the Authority's Expenditure Authorization Procedures ("EAPs"), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:
 - 1. A threat to the health or safety of the public or Authority employees or workers.
 - 2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the reasons therefor to the White Plains SSM Department or the appropriate facility SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the SSM Department.
- P. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation

generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.

- Q. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:
1. A “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property that is the subject of a governmental procurement, with an estimated annualized expenditure in excess of \$15,000. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.
 2. The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., *New York State Contract Reporter*) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerers (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.
 3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.
- R. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of

such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority's Corporate Policy regarding this matter.

- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its

members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder's skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.
- In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains SSM Department and/or the appropriate facility SSM Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s) or designee, to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.
- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

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

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

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

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

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

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

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

5. **RECOMMENDATION OF AWARD**

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

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

6. AWARD OF CONTRACT

- A. Services Contracts to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12 months are approved by authorized designees in accordance with existing EAPs. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services, that has previously been approved by the Trustees, for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts 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 SSM Department or the facilities' SSM Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at

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

7. CONTRACT PROVISIONS

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

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

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

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

16. Proprietary Nature of Work
17. Testimony
18. MWBE requirements
19. SDVOB requirements
20. Entire Agreement

Contract Attachments

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

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

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

The above restrictions shall not apply where:

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

8. CHANGE ORDERS

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.M herein, that require the immediate performance of work by a firm already under contract;
 4. When rebidding would not be practical or in the best interests of the Authority's customers; and
 5. To meet the Authority's Supplier Diversity and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- B. All Change Orders must be approved in accordance with the Authority's EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the

modification was neither contemplated nor provided for in the solicitation for such competitive procurement.

9. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES

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

The New York State Joint Commission on Public Ethics must review and approve all such certifications.

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

10. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS

The Authority strives to continue to foster the development of business opportunities on Authority contracts for MWBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. The definition of an MWBE is included in Section 2.H of these Guidelines. The Authority aims to solicit proposals from NYS-certified MWBEs that are qualified to perform the required work. In addition, specific goals may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Bidders' proposals will include a completed Utilization Plan Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required. Such bidders' failure to meet these

requirements may be grounds for rejection of the proposal, or cancellation of the contract if a contractor did not make a good faith effort to meet its goals after contract award. 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. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

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

function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

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

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

12. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

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

B. Procurement Report

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

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

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

Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

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

13. 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, Articles 15-A and 17-B of the Executive Law and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these Guidelines.

2. DEFINITIONS

- A. “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) and capital projects, 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 Authority’s conduct or decision regarding the procurement.
- G. “Relative” is any person living in the same household as the Authority employee and any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Subsection 9.E.1 of these Guidelines.
- H. “Minority- and Women-owned Business Enterprise” (“MWBE”) is defined as any New York State-certified business enterprise at least 51% of which is owned by black persons, Hispanics, Native Americans, Asians, Pacific Islanders and/or women, and as further described in the Authority’s Supplier Diversity Program Policy and Procedures and Executive Law Article 15-A, and pursuant to the definition found in Executive Law § 310.
- I. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- J. “Single Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one 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.
- L. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.

- M. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$200,000 for the purchase of commodities and/or services from Small Businesses or NYS-certified MWBE or SDVOB firms, and as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$200,000, pursuant to State Finance Law § 163.

3. **SOLICITATION REQUIREMENTS**

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

regardless of the type of contract. For the purpose of these Guidelines, the definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.H, 2.L and 2.I, respectively.

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

- E. It is the policy of New York State to promote the participation of and maximize the opportunities for New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:
1. “New York State Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
 2. “New York State resident” is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
 3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise,

including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.

4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.
5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
6. Pursuant to Public Authorities Law § 2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.

- F. ~~Certain~~ Goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains ~~Procurement~~SSM Department, or facility ~~Procurement~~SSM Departments, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.

Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a “mini-bid” (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts. Certain other Procurement Contracts issued by the Authority (e.g., for on-call consulting or contracting services) may also utilize a mini-bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Authority’s bid requirements, in order to satisfy multiple factors and needs as set forth in the bid document. Such mini-bids shall be conducted by the Authority’s ~~Procurement~~SSM staff (or on behalf of the Authority by an Implementation Contractor) where applicable and practicable. Within a said

multiple award group, work may be assigned to a specific firm without conducting a mini-bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Authority's needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini-bid shall typically be made jointly by the ~~Procurement~~SSM and initiating departments, and shall be documented for the procurement record.

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

awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

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

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the ~~Procurement~~SSM Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

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

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

contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of value, and advertised as such on the *Contract Reporter* website.

- J. Proposals for certain Services Contracts may also be solicited by competitive search, as follows:

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as an Authority representative, a “competitive search” will be conducted to determine which consultants are most qualified, for reasonable compensation terms, to perform the work. Depending on market conditions, at least five potential sources should be evaluated; if there are fewer than five sources, all sources should be evaluated. The White Plains ~~Procurement~~SSM Department or the appropriate facility ~~Procurement~~SSM Department will work with the initiating department to gather information from potential sources, that will include a description of the consultant/firm’s qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
 2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
 3. A sole supplier’s item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
 4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
 5. The contract is awarded to a Small Business or to a NYS-certified SDVOB or MWBE firm for discretionary purchases not exceeding \$200,000, pursuant to Section 3.D and as further set forth in Section 2.M.
 6. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 7. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2

NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.

- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
- M. Subject to the Authority’s Expenditure Authorization Procedures (“EAPs”), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:
 - 1. A threat to the health or safety of the public or Authority employees or workers.
 - 2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the reasons therefor to the White Plains ~~Procurement~~SSM Department or the appropriate facility ~~Procurement~~SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the ~~Procurement~~SSM Department.
- P. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and

procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation

generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.

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

1. A “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property that is the subject of a governmental procurement, with an estimated annualized expenditure in excess of \$15,000. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.
2. The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State Contract Reporter) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerers (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.
3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

R. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of

such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority's Corporate Policy regarding this matter.

- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its

members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder's skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.
- In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains ~~Procurement~~SSM Department and/or the appropriate facility ~~Procurement~~SSM Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s) or designee, to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.
- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

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

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

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

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

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

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

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

5. **RECOMMENDATION OF AWARD**

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

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

6. AWARD OF CONTRACT

- A. Services Contracts to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12 months are approved by authorized designees in accordance with existing EAPs. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services, that has previously been approved by the Trustees, for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts 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~~SSM Department or the facilities' ~~Procurement~~SSM Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at

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

7. **CONTRACT PROVISIONS**

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

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

- B. The following types of provisions setting forth contractor responsibilities are to be contained in the standard forms of Procurement Contracts, except that any provisions listed below that are inapplicable or unnecessary because of the nature or duration of the work to be performed, the location(s) where the work is to be performed or the type of compensation being paid therefor, need not be included. Other provisions may be added as necessary and appropriate.
1. Schedule of Services or Specifications
 2. Time of Completion
 3. Compensation or Itemized Proposals
 4. Relationship of Parties
 5. Delays
 6. Termination
 7. Changes in the Work
 8. Claims and Disputes
 9. Warranty
 10. Insurance
 11. Records, Accounts, Inspection and Audit
 12. Assignment
 13. Notices
 14. Indemnification
 15. Governing Law

16. Proprietary Nature of Work
17. Testimony
18. MWBE requirements
19. SDVOB requirements
20. Entire Agreement

Contract Attachments

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

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

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

The above restrictions shall not apply where:

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

8. CHANGE ORDERS

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.M herein, that require the immediate performance of work by a firm already under contract;
 4. When rebidding would not be practical or in the best interests of the Authority's customers; and
 5. To meet the Authority's Supplier Diversity and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- B. All Change Orders must be approved in accordance with the Authority's EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the

modification was neither contemplated nor provided for in the solicitation for such competitive procurement.

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

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

State Joint Commission on Public Ethics must review and approve all such certifications.

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

10. **SUPPLIER DIVERSITY PROGRAM REQUIREMENTS**

The Authority strives to continue to foster the development of business opportunities on Authority contracts for MWBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. The definition of an MWBE is included in Section 2.H of these Guidelines. The Authority aims to solicit proposals from NYS-certified MWBEs that are qualified to perform the required work. In addition, specific goals may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Bidders' proposals will include a completed Utilization Plan Form for MWBEs, ~~and as well as~~ applicable EEO and Diversity Practices Forms, where required, ~~and s~~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. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

The Authority also strives to foster the development of business opportunities for NYS-certified SDVOBs and to further increase participation by SDVOBs in Authority contracts, as set forth in Sections 2.L and 3.I of these Guidelines and pursuant to Article 17-B of the Executive Law. One tool is the use of SDVOB discretionary purchasing, as further described in Sections 3.D, I and K of these Guidelines. Another tool authorized by the law is the use of set-asides, which permit the reservation in whole or in part of certain procurements by state agencies and authorities when more than one NYS-certified SDVOB

is available and can provide the necessary goods or services to meet the Authority's form, function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

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

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

12. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

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

B. Procurement Report

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

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

spent on the contract during the reporting period and for the term of the contract to date and the status of open Procurement Contracts during the report year;

6. The type of contract (equipment, services, personal services or construction);
7. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source or competitive search);
8. The reasons why any procurements with a value equal to or greater than \$50,000 were not noticed in the Contract Reporter;
9. The number of bids received and
10. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.

C. Such annual report, as approved by the Trustees, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, and copies thereof shall be distributed to the New York State Department of Audit and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual procurement report is posted on the Authority's website and copies shall be made available to the public upon reasonable written request therefor.

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

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

E. The Authority may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the PAAA or other statutes regulating the procurement of goods and services, such as the

Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

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

13. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS

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

GUIDELINES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

PERSONAL PROPERTY

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GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY PERSONAL PROPERTY

I. PURPOSE

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

II. DEFINITIONS

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

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

III. OBJECTIVE

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

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

IV. TRANSACTIONS NOT COVERED

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

1. Disposal of real property interests;
2. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
3. Transfer/re-deployment of Property from one Authority facility to another Authority facility.

V. DESIGNATION OF PROPERTY DISPOSAL COORDINATORS

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

location ("Facility PDC"). The Facility PDC reports to the DSP&W.

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

VI. DISPOSAL OF AUTHORITY PERSONAL PROPERTY

Except for Disposals pursuant to Article VII, Article XII and Subsection VI.A.4 of

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

A. DISPOSAL METHODS FOR PERSONAL PROPERTY

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

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

- c. where the value of the Property exceeds \$5,000, all bid amounts shall be posted to the Authority's internet website or publically disclosed at the time and place of the sale; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.
4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
- a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 3 of this Section, would adversely affect the state or local market for such Property, and the estimated Fair Market Value of such Property and other satisfactory terms of disposal may be obtained by negotiation;
 - b. bid prices after advertising therefore are not reasonable, either as to all or part of the Property, or have not been independently arrived at in open competition;

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

ownership and use of the Property will remain with the government or any other public entity;

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

days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and if the transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

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

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to

the communities in which the Property is situated as are required by the transfer;

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

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

- 7. In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they

have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

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

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

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

VII. CENTRALIZED DISPOSAL

- A. Subject to the approval of the Contracting Officer or authorized designee and in accordance with Article VI of these Guidelines, in either the initial document authorizing the disposal or through a subsequent communication, Property may

be disposed of using any of the following methods:

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

VIII. DECENTRALIZED DISPOSAL

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

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

- C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Property in accordance with these Guidelines.

IX. PARTIES PROHIBITED FROM BIDDING

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

in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT

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

disposal or redeployment, financial viability of the bidder, and condition of the Property.

- D. Notwithstanding any determination by the responsible PDC, the Responsible Officer(s) or designee, with the review and approval of the Contracting Officer, may direct the sale of the Property to the person or firm submitting the highest bid.
- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly

traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

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

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

- A. For the purposes of these Guidelines, the Responsible Officer(s) or designee will in each case review the appropriateness of the Fair Market Value estimate and the recommendation for contract award for disposal of the Property. Responsible Officers or designee are designated as follows:
 1. The Board of Trustees, if the Fair Market Value of the Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6; or
 2. The President or the Chief Operating Officer or equivalent(s), if the Fair Market Value of the Property is up to \$1,000,000; or
 3. The Executive Vice President and Chief Financial Officer or equivalent(s), if the Fair Market Value of the Property is up to \$750,000; or
 4. For Fleet-related transactions, the Senior Vice President – Human

Resources and Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$750,000; or

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

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

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

C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the

Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures – Attachment C.

- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority's Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

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

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

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

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

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

these items in this manner represents the best value to New York State in lieu of attempted re-sale of such materials.

XIII. METHODS OF PAYMENT

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

XIV. REPORTING REQUIREMENTS

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

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

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

BID SHEET

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

LUMP SUM BID AMOUNT* \$ _____

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

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

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

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

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

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

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

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

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

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

ADVERTISEMENT FOR PROPOSALS

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

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

**PERSONAL PROPERTY
SALES AGREEMENT**

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

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

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

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

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

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

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

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

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

GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY
PERSONAL PROPERTY

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GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY PERSONAL PROPERTY

I. PURPOSE

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

II. DEFINITIONS

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

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

III. OBJECTIVE

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

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

IV. **TRANSACTIONS NOT COVERED**

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

1. Disposal of real property interests;
2. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
3. Transfer/re-deployment of Property from one Authority facility to another Authority facility.

V. **DESIGNATION OF PROPERTY DISPOSAL COORDINATORS**

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

to \$5,000 and assists the DSP&~~WMM~~ with all other disposals at his or her facility or location ("Facility PDC"). The Facility PDC reports to the DSP&~~WMM~~.

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

VI. DISPOSAL OF AUTHORITY PERSONAL PROPERTY

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

A. DISPOSAL METHODS FOR PERSONAL PROPERTY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. CENTRALIZED DISPOSAL

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

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

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

VIII. DECENTRALIZED DISPOSAL

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

- B. If the responsible PDC, in conference with either the DSP&WMM 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&WMM or the Contracting Officer or authorized designee, as appropriate, determine there is no interest in such material at other Authority facilities, a written explanation should be prepared by the PDC to that effect and maintained in the file for that transaction.
- C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Property in accordance with these Guidelines.

IX. PARTIES PROHIBITED FROM BIDDING

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

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

X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT

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

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

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

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

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

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

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

\$750,000; or

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

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

1. For purposes of these Guidelines, the Director - Fleet Operations (“DFO”) or equivalent(s) and DSP&~~WMM~~ 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&WMM 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&~~WMM~~ 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&~~WMM~~ and WPO PDC(s). In certain cases involving a transfer of Property to other state agencies or authorities, the performance of documented services to the Authority equal to or greater in value to the Fair Market Value of the Property, will serve as payment for such Property. The authorization limits of Article XI shall apply to such transactions.

XIV. REPORTING REQUIREMENTS

- A. The Authority shall publish, not less frequently than annually, a report of all Property having a FMV in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Authority during such period. Such report shall be prepared in conjunction with the

report required by the Authority's "Guidelines for the Disposal of New York Power Authority Real Property."

- B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.
- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.
- D. For disposal by negotiation of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of personal property and real property.

- |
- F. The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System (“PARIS”).

BID SHEET

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

LUMP SUM BID AMOUNT* \$ _____

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

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

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

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

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

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

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

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

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

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

ADVERTISEMENT FOR PROPOSALS

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

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

**PERSONAL PROPERTY
SALES AGREEMENT**

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

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

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

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

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

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

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

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

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

ACQUISITION AND DISPOSAL OF REAL PROPERTY

January - December 2016

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, 2016.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

Jane A. Babbie - Acquisition of 1.6 acres in the Town of Plattsburgh, County of Clinton (Map No. CL-1507, Parcel No. 1507) in support of the PV-20 Transition Station relocation. The consideration for this transaction was \$8,000.00. The warranty deed was recorded on June 14, 2016.

New York State Office of General Services – During this reporting period NYPA Real Estate renewed an existing easement with the New York State Office of General Services for the operation and maintenance of underwater electrical conduits situated in the Hudson River as part of the Marcy-South Transmission Project in the Town of Newburgh, Orange County and the Town of Wappinger, Dutchess County. The term of this easement is from January 11, 2016- August 31, 2039. The consideration was \$103,495.00. The easement was approved by the Trustees on September 19, 2015 and recorded in both counties on June 28, 2016.

Stephen W. Ladue - Acquisition of a temporary easement over and across lands of Stephen Ladue in support of the construction of the Subterranean Transmission Facilities in the Town of Plattsburgh, Clinton County (Map No. CL-1508, Parcel No. 1508). There was no consideration for this transaction. The easement was recorded on August 18, 2016.

Thomas J. Jones and Wendy J. Jones – Acquisition of a permanent easement for the purpose of constructing, re-constructing, repairing, and maintaining an access road in the Town of Greig, County of Lewis (Map No. LG-1202, Parcel No. 1202A) from Thomas and Wendy Jones on July 20, 2016. The consideration was \$50.00. The easement was recorded on August 24, 2016.

Thomas J. Jones, Donald E. Jones, and Scott D. Jones – Acquisition of a permanent easement for the purpose of constructing, re-constructing, repairing, and maintaining an access road in the Town of Greig, County of Lewis (Map No. LG-1202, Parcel No. 1202B) from Thomas, Donald, and Scott Jones on July 20, 2016. The consideration was \$1,350.00. The easement was recorded on August 24, 2016.

David E. Rice and Laurie E. Rice – Acquisition of a permanent easement for the purpose of constructing, re-constructing, repairing, and maintaining an access road in the Town of Greig, County of Lewis (Map No. LG-1202, Parcel No. 1202C) from David and Laurie Rice on July 27, 2016. The consideration was \$500.00. The easement was recorded on August 24, 2016.

Portion of the Bed of Cumberland Head Road – During this reporting period NYPA Real Estate acquired by appropriation a permanent easement in support of a subterranean transmission line in the Town of Plattsburgh, County of Clinton. Title was vested by filing Map No. CL-1506, Parcel No. 1506 with the Clinton County Clerk on October 24, 2016.

Park Manager House, Mine Kill State Park - During this reporting period NYPA Real Estate acquired 15.48 acres of real property located at 102 Avenue of the Stars, Town of Blenheim, County of Schoharie, from Vincenzo and Antonio Cascetta, which is a single family residence and will serve as the residence for the Park Manager of Mine Kill State Park. The consideration was \$230,000.00. The warranty deed was recorded on November 9, 2016. The purchase was approved by the Trustees on September 27, 2016.

Nickerson Park Campground, Inc. - During this reporting period NYPA Real Estate acquired by appropriation two permanent easements from Nickerson Park Campground, Inc. in the Town of Gilboa, County of Schoharie. Title was vested by filing Map No. 203, Parcel No(s). 203A, and 203B with the Schoharie County Clerk on December 27, 2016. The purpose of the two easements is in support of routine operation of the Blenheim-Gilboa Pumped Storage Power Project lower reservoir and access thereto, respectively. The total appraised value of both parcels is \$42,000.00. This was approved by the Trustees on September 27, 2016.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 189 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Moses-Willis, and Gilboa-New Scotland.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

Erie Canal Harbor Development Corporation – Conveyed 14.21 acres of surplus property known as the First Buffalo Marina to the Erie Canal Harbor Development Corporation in

the City of Buffalo, County of Erie (Map No. 340-C, Parcel No. 3292). This conveyance was approved by the Board of Trustees on July 30, 2015. The deed was recorded on December 16, 2016, and the consideration was \$1.00.

2.) Land Use Permits:

During this reporting period, the real estate group issued 36 land use permits for use of the Authority's real property, both fee-owned and held by easement:

LAND USE PERMITS			
Permit No.	Town/ Issue Date	Permittee	Purpose
BP-16-386P	Plattsburgh 8/17/2016	Stephen Ladue	Access for recreational use of land owned by Authority along the shoreline of Lake Champlain.
CEC-14-3P-A1	Marcy 10/31/2016	Deerfield Snow Trail, Inc.	Extended the term for operating and maintaining a seasonal snowmobile trail.
CEC-15-159P	Marcy 2/18/2016	Niagara Mohawk Power Corporation d/b/a National Grid	Install a microwave antenna on a 756kV tower at Authority's Marcy Substation.
CEC-15-193P	Russia 1/27/2016	Adirondack Foothills Rotary, Inc.	Utilize Authority's boat launch on the Hinckley Reservoir from February 21- February 28th, for a fishing tournament on the 28th.
MS-15-194P	Delhi 1/6/2016	New York State Gas & Electric Corporation and ABB, Inc.	Remove spoils and debris placed by ABB, Inc. under Authority-owned transmission lines.
MS-16-254P	Otego 3/14/2016	Gutchess Lumber Company	Transport harvested timber over and across portions of property under the jurisdiction of Authority.
MS-16-373P	Middletown 9/1/2016	CPV Valley Inc.	Construct, install, and maintain two 345kV permanent transmission line poles to connect to the existing Marcy South transmission line to the new Dolson Avenue Substation, together with the construction and use of a permanent access road.

MSU-16-340P	Grieg 5/18/2016	Doug Tiffany	Remove a mound of earth on or across land owned by Permittee and under the jurisdiction of Authority.
MWP-15-192P	Chateauguay 2/8/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Perform soil test borings and other related tests and samples within the Authority's Willis Substation.
MWP-16-294P	Chateauguay 4/29/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Construct and install access roads and underground collection and distribution lines for the purpose of transporting materials to various turbine sites.
MWP-16-369P	Chateauguay 4/29/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Remove, repair, and replace existing substation equipment and foundations in support of construction of new interconnect facilities within the Authority's Willis Substation.
MWP-16-374P	Chateauguay 7/28/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Remove, repair, and replace certain portions of the existing HVAC system at the Willis Substation for Permittee's Wind Farm Project.
MWP-16-381P	Chateauguay 8/22/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Perform certain switchyard demolition, reconstruction and upgrades at the Willis Substation.
NATL-15-195P	Verona 4/18/2016	Thomas and Jon Williams	Install drainage tile for agricultural purposes.
NATL-16-273P	Marcy 3/18/2016	National Grid	Expand its Edic Substation approximately fifty feet on the North and West sides and to carry out site preparation and re-grading to erect fencing thereon.
NATL-16-297P	Henrietta 4/5/2016	Rochester Gas & Electric	Construct, install, maintain, and remove temporary access roads for the purpose of transporting materials and equipment to the construction area of their Station 80 345kV Fifth Bay Expansion project.
NATL-16-312P	Henrietta 4/27/2016	Rochester Gas & Electric	Construct, install, operate, maintain, repair, replace, and remove a 15kV distribution line.
NATL-16-331P	Clay 7/7/2016	New Vision Communications	

			Install and maintain All-dielectric Self-Supporting (ADSS) fiber on existing utility poles.
NATL-16-361P	New Haven 7/29/2016	Steiner	Carry out timber harvesting and related work.
NATL-16-362P	Perinton 7/25/2016	Rochester Gas & Electric	Implement upgrades at its Pannell Substation including the removal and replacement of their distribution structures and conductors and to carry out site preparation work.
NATL-16-378P	Pittsford 8/8/2016	Rochester Gas & Electric	Construct, install, operate, maintain, repair, replace, and remove an existing farm tap.
NPP-96-5-A-XIII	Niagara Falls 7/28/2016	Rueben Haseley Farms	Access for growing and harvesting agricultural crops.
NPP-15-218P	Buffalo 2/3/2016	Erie Canal Harbor Development Corporation	Construct, reconstruct, install, operate, and maintain, dedicated docks and an access gangway with a waiting area for riders for the establishment of the “Queen City Bike Ferry”.
NPP-15-265P	Niagara Falls 2/29/2016	Panamerican Consultants Inc.	Access to perform shovel testing as part of an archeological investigation.
NPP-16-317P	Lewiston 4/4/2016	Niagara Falls Bridge Commission	Access for a laydown and staging area for construction equipment during the sandblasting and repainting of Permittee’s Lewiston-Queenston Bridge.
NPP-16-387P	Niagara Falls 9/26/2016	Niagara Falls Bridge Commission	Perform work in support of its “Rock Slope Stabilization and Retaining Wall Repair” project at their Whirlpool International Bridge and the International Bridge facilities.
NPP-16-388P	Niagara Falls 10/5/2016	Niagara Firefighters Christmas Toy Fund	Access for a charity 5K Walk/Run.
SLPP-16-248P	Louisville 2/5/2016	Majestic Fireworks	Access to the Lake St. Lawrence Yacht club for a fireworks display for the “Winter Chill” event.
SLPP-16-325P	Waddington 4/18/2016	Town of Waddington	Install and maintain a gate at the Iroquois Dam entrance.

SLPP-16-365P	Massena 6/16/2016	Arcadis of New York, Inc.	Perform environmental sampling to comply with the Environmental Protection Agency's record of decision.
SLPP-16-376P	Waddington 7/29/2016	Majestic Fireworks	Access to Ogden Island for a fireworks display.
SLPP-16-383P	Waddington 9/19/2016	Terracon Consultants, Inc.	Perform soil test borings and other related tests and samples within the Authority's Iroquois Dam.
SLPP-16-384P	Massena 9/19/2016	Clarkson University, Dr. Twiss	Access to Authority's Moses-Saunders Power Dam's No. 32 and No. 17 Generating Units for the temporary installation and operation of a water quality sensor array.
SLPP-16-398P	Massena 11/10/2016	Special Olympics, New York Inc.	Access to the Frank S. McCullough, Jr. Hawkins Point Visitor Center for the Special Olympics Polar Plunge.
SLPP-16-391P	Louisville 10/13/2016	Daniel and Jacqueline Miller	Construct and maintain a replacement septic system and deactivate an existing septic system.
WPO-15-57P	White Plains 6/27/2016	New York State Department of Economic Development	Use a portion of the 9 th floor in the building known as the Clarence D. Rappleyea Office Building for office purposes.

III. MISCELLANEOUS TRANSACTIONS

The College of Technology at SUNY Canton

During this reporting period NYPA entered into a Permit with The College of Technology at SUNY Canton to allow NYPA to conduct and perform studies and actions necessary to determine the adequacy of the proposed new right-of-way for the relocation of the Moses-Adirondack Transmission lines crossing SUNY Canton. This Permit was executed on August 4, 2016 and will expire on June 30, 2017.

New York State Office of General Services

NYPA Real Estate entered into a Permit with the New York State Office of General Services for the replacement and installation of a 115kV power transmission cable beneath the waters of Lake Champlain. The agreement was entered into on July 27, 2016 and the term of this Permit is from October 1, 2016- September 30, 2018.

IV. LEASING

1) Landlord Leases:

Federal Bar Council

During this reporting period NYPA Real Estate extended an existing lease for 2,150 rentable square feet for the purpose of office space located on the 1st floor of the Authority's 123 Main Street Building in White Plains, New York. The term of the first lease extension was from August 1, 2016- August 31, 2016. The term of the second lease extension was from September 1, 2016- September 30, 2016. The tenant has now vacated the premises.

St. Lawrence University

During this reporting period NYPA Real Estate entered into a lease agreement with St. Lawrence University for approximately 1.0 acre of land located in the Town of Waddington, County of St. Lawrence, for the operation and maintenance of the existing boathouse facility. The initial annual rent is \$3,600.00. The term of this lease is from June 2016 – May 31, 2030. The Board of Trustees approved this lease on October 5, 2016.

Lake St. Lawrence Yacht Club, Inc.

During this reporting period the Real Estate Department entered into a lease agreement with Lake St. Lawrence Yacht Club, Inc. for approximately 1.4 acres of land located in the Town of Louisville, County of St. Lawrence for the construction and operation of recreational facilities. The term of this lease is from May 1, 2016- April 30, 2030. The initial annual rent is \$3,000.00. The Board of Trustees approved this lease on October 5, 2016.

2) Tenant Leases:

Bartnick Irrevocable Trust

During this reporting period the Real Estate Department entered into a lease with Bartnick Irrevocable Trust for the rental of approximately 6,000 square feet of transmission maintenance storage space in Utica, NY. The term of this lease is from January 1, 2016- December 31, 2018 with the initial annual rent of \$26,450.

Landmark Aviation- Westchester County Airport

During this reporting period the Real Estate Department exercised its option to extend an existing lease for an additional three-year term, for the pilot office and hangar space leases at the Westchester County Airport.

Acquisition of Leases for New York State Canal Corporations

Pursuant to Part TT of Chapter 54 of the Laws of 2016 ("Part TT"), as of January 1, 2017 the New York State Canal Corporation, formerly a subsidiary of the New York State Thruway Authority, was reconstituted as a subsidiary corporation of the Power Authority and certain powers, duties and obligations relating to the New York State Canal System were transferred from the Thruway Authority to the Power Authority.

As part of this transfer, Canal Corporation's Western, Central and Headquarters Division staffs, previously housed in Thruway Authority offices, were relocated to Authority-leased facilities. During this reporting period, NYPA Real Estate acquired three leases for Canal Corporation staff. These transactions were approved by the Board of Trustees on September 27, 2016.

<u>Landlord</u>	<u>Space</u>	<u>Expiration</u>	<u>Annual Rent</u>
One Northern Concourse, LLC	2,990 square feet of office space	12/31/2019	\$44,850.00
Genesee Street, LLC	3,349 square feet of office space	10/31/2021	\$46,886.00
PS Associates, L.P.	17,100 square feet of office space	11/18/2026	\$337,725.00

Fuller Road Management Corporation

During this reporting period the Real Estate Department and the Fuller Road Management Corporation executed an amendment of lease to add cleaning services. This amendment was effective October 1, 2016.

V. ST. LAWRENCE RELICENSING

1.) St. Lawrence Lands Program:

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

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

DEEDS FILED						
NYPA Surplus Map No.	NYPA Surplus Parcel No.	Current Owner Name	Acreage	Appraisal Value	Filing Date	Town
1165C	8152	Oscar and Nicole Zeledon	.05	\$500.00	1/15/2016	Waddington
1155C	8286	Michele Mayette and Paul Jones	.12	\$200.00	1/15/2016	Waddington

1165C	8351	David and Tracey Putney	.01	\$50.00	3/25/2016	Waddington
1173C	8440	Pat Curran	.17	\$2,550.00	3/29/2016	Louisville
1132C	8582	Patrick D. Carroll	.02	\$300.00	4/19/2016	Louisville
1147C	8214	Randy and Cindy Deshaies	.13	\$2,300.00	4/19/2016	Waddington
1170C	8657	Town of Waddington	.65	\$1.00	5/12/2016	Waddington
1173C	8442	David and Micheline Cappione	.16	\$2,700.00	5/12/2016	Louisville
1155C	8288	Ronald P. McDougall	.10	\$100.00	5/19/2016	Waddington
1155C	8289	Ronald P. McDougall	.88	\$700.00	5/19/2016	Waddington
1174C	8451	Brenda B. Green	.21	\$3,150.00	5/26/2016	Louisville
1178C	8516	Peter and Tracy Lavigne	.13	\$1,950.00	6/9/2016	Louisville
1205C	8728 8729	Olivia Martin	3.05	\$6,000.00	7/7/2016	Waddington
1146C	8202	Barbara S. Doe	.16	\$3,200.00	8/9/2016	Waddington
1146C	8203	Barbara S. Doe	.13	\$2,300.00	8/9/2016	Waddington
1148C	8374	Phillip G. McCullough	.08	\$1,200.00	8/9/2016	Waddington
1147C	8215	Lori J. Sutter	.15	\$2,700.00	8/9/2016	Waddington
1163C	8148	Mark and Kelly Scott	.27	\$3,200.00	8/9/2016	Waddington
1147C	8216	Frank and Ginger Abrunzo	.06	\$1,100.00	10/4/2016	Waddington
1172C	8429	Patrick and Tracy Casey	.16	\$2,400.00	12/9/2016	Louisville
1153C	8259	Joseph and Katherine Garcia	.08	\$100.00	12/9/2016	Waddington

During this period 21 deeds were finalized and recorded in the County Clerk's office. To date, 530 of the 599 acres have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 470 transactions 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.

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

REAL PROPERTY

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

I. PURPOSE

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

II. DEFINITIONS

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

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

III. COMPLIANCE OVERVIEW

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

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

IV. DUTIES OF THE MANAGER CORPORATE REAL ESTATE

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

V. PROCEDURES FOR THE DISPOSITION OF AUTHORITY REAL PROPERTY

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

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

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

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

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

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

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

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

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

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

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

- 5.9 No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.10 No Authority employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
- 5.11 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.
- 5.11.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, **or** 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such

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

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

VI. AUTHORITY REAL PROPERTY REPORTS

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

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

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

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

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

VII. APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD

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

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

REAL PROPERTY

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

I. PURPOSE

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

II. DEFINITIONS

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

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

III. COMPLIANCE OVERVIEW

The Public Authorities ~~Accountability Act~~Law (“~~PAA~~APAL”) 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 ~~PAAAPAL~~.
- 3.4 Prepare annual reports of Real Property Disposal transactions.

IV. DUTIES OF THE ~~DIRECTOR OF MANAGER CORPORATE~~ REAL ESTATE

- 4.1 The ~~Director of~~ Manager of Corporate Real Estate or equivalent(s) or designee shall maintain adequate inventory controls and accountability systems for all Real Property under the Authority's control.
- 4.2 The Manager of Corporate ~~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 Manager of Corporate ~~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 Manager of Corporate ~~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 ~~PAAAPAL~~ 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 ~~PAAAPAL~~. 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 ~~PAAAPAL~~ 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 ~~PAA~~APAL.
- 5.7 The ~~Director of~~Manager Corporate Real Estate or equivalent(s) or designee shall provide all relevant documentation to the Environmental Division for the purposes of determining, if applicable, whether the Disposal of Real Property is in compliance with the State Environmental Quality Review Act, and for whether it adheres to the American Society of Testing and Material's guidelines for Environmental Site Assessments, if applicable.
- 5.8 No Authority employee who is involved in the award of Authority grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or

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

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

of procurement that is not competitive, **or** 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure (“eligible contract”), must be reported in advance of execution to the OSC. Upon execution, all such eligible contracts must be filed with the OSC within 60 days.

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

VI. AUTHORITY REAL PROPERTY REPORTS

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

6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Manager of Corporate ~~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 Manager of Corporate 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 PAAAPAL 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 ~~HR and~~ Enterprise Shared Services or the equivalent(s) may prepare and present ongoing reports regarding the Disposal of Real Property.

VII. APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD

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

GUIDELINES

AND

PROCEDURES

FOR THE

ACQUISITION OF REAL PROPERTY

BY THE NEW YORK POWER AUTHORITY

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

I. PURPOSE

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

II. DEFINITIONS

2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be responsible for enforcement of the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Vice President - Enterprise Shared Services, or the equivalent(s), or designee.

2.2 “Acquisition” or “Acquire” shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

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

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

III. COMPLIANCE OVERVIEW

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

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

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

IV. DUTIES OF THE MANAGER CORPORATE REAL ESTATE

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

Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

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

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

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

V. ETHICAL CONSIDERATIONS

5.1 No Authority employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation

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

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

VI. ACQUISITION REPORTS BY THE AUTHORITY

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

- 6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Manager Corporate Real Estate shall furnish a report for incorporation in the Authority's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Authority for the Real Property, and (b) a description of the total amounts of Real Property purchased without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the

counterparties, and (iii) where the price for the Real Property purchased exceeds Fair Market Value, a detailed explanation of the justification for making the purchase without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such purchase and determined that it complies with applicable law.

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

GUIDELINES

AND

PROCEDURES

FOR THE

ACQUISITION OF REAL PROPERTY

BY THE NEW YORK POWER AUTHORITY

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

I. PURPOSE

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

II. DEFINITIONS

2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be responsible for enforcement of the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Vice President - Enterprise Shared Services, or the equivalent(s), or designee.

2.2 “Acquisition” or “Acquire” shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

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

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

III. COMPLIANCE OVERVIEW

3.1 These Guidelines are being adopted consistent with the Public Authorities ~~Accountability Act~~Law (“~~PAA~~APAL”).

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

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Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

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

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

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

V. ETHICAL CONSIDERATIONS

5.1 No Authority employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation

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

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

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



Title: Attendance and Flexible Hours

Document Type: Employee Policy

Document Number: EP 4.6

Revision Date: 11/1/2016

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

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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Attendance and Flexible Hours

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
11/1/2016	11	All employees maintaining a “meets expectations” or better performance review rating are eligible, at management’s discretion, for flex time schedule participation unless an employee’s grade/title falls within the established exceptions.	5.3	Rani Pollack Director, HR & Employee Relations
		Clarified- More than one absence in a pay period disqualifies flex time schedule participation during that pay period.	5.3	
		Work from home section added with associated parameters	5.5	
3/18/2016	10	Uploaded information to a new format. This policy had nine (9) revisions under the old format.	N/A	Rani Pollack Director, HR & Employee Relations
		Defined- flexible hours and flex time schedules	3	
		Deleted- section requiring employees to be present on their last day of work. This verbiage is duplicated in the “Separation from Service” policy.	5.2	
		Clarified- In order to participate in flex time schedules during a given pay period, employees must not be absent two days or more in a given payroll period.	5.3	

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		Added- Employees' participation in the flex time schedule is contingent on satisfactory job performance and is at managers' discretion.	5.3	
		Added- Employees' pre-scheduled absence on the day of an emergency closing will remain as planned when requested off.	5.4	

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

1 PURPOSE AND SCOPE

To ensure an efficient and productive work environment, this policy establishes hours of daily work, workweek, flexible hours, punctuality guidelines, and guidelines for reporting to work in the event of inclement weather, transportation or other emergency situations for Management employees. The work hours, workweek and lunch schedules may vary at different NYPA work locations.

2 APPLICABILITY

This policy applies to all Management employees. 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.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EAP- Employee Assistance Program

EMC- Executive Management Committee

FLSA- Fair Labor Standards Act

Flexible hours- The daily hours of work may vary based on department needs. The typical workday may begin anytime between 7:00am and 9:30am.

Flex time schedules- A pre-arranged work schedule approved by management allowing an employee to take one day or a half day off within the pay period when an employee works their required hours within that same pay period.

Management- Non-union employees

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

4 RESPONSIBILITY

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

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

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5 POLICY IMPLEMENTATION

5.1 Work Hours and Workweek

5.1.1 If an employee works in the White Plains or Albany Office:

- a) The 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 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 2:00 pm, unless adjusted by an employee's supervisor, and generally ranges between 30-60 minutes.

5.1.2 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 Management employees, the 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 7:00am and 9:00am.
- b) The 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.
- c) Management employees' mealtime shall be determined by the Regional Manager or the person otherwise responsible for the work location.

5.1.3 Management 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 exempt employees are paid a base 80 hours per pay period, regardless of the scheduled hours in the period. Non-exempt employees are paid for the hours they worked.

- c) Pay for exempt employees scheduled hours is at straight time inclusive of Holiday, Sick, Vacation, etc. [See EP 2.4 Management 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 exempt employees on 12 hour shift, holidays are adjusted to the equivalent hours based on the 12 hour days. [E.g. if there are 14 eight-hour holidays in the holiday schedule, Management employees on 12 hour shift will be adjusted to 9 twelve-hour holidays and 1 eight-hour floater.]
 - e) Holidays that do not fall on a scheduled day in the rotation are moved to the nearest scheduled day. It is at supervisor's discretion as to whether or not the employee has to work this day or take the holiday based on available coverage.
- 5.1.4 The payroll period for a workweek at some locations may be Thursday through the following Wednesday, or Sunday through the following Saturday.

5.2 Punctuality Guidelines

- 5.2.1 Employees are expected to report for and remain at work during the daily hours as established by the applicable employing department or location except for meal periods.
- 5.2.2 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 prior approval by his/her manager or supervisor.
- 5.2.3 When an employee is late, he/she should communicate with his/her supervisor to discuss the reason for the tardiness. Lateness is not charged against sick, vacation or floating holidays unless a half day or more is taken.
- 5.2.4 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.

5.3 Flex Time Schedules

In an effort to offer employees work-life balance solutions, NYPA offers flex time schedules to allow one day or a half day off within a two week pay period as follows:

- a) All employees maintaining a "meets expectations" performance review rating or better are eligible, with management's discretion, for flex time schedule participation except employees in grades 12 and above.

- b) Employees can only take one full day or one half day off within the pay period when an employee works their required hours within that same pay period. All flex days must be recorded in the time and attendance system.
- c) Employees requesting participation in the program must submit a schedule indicating the hours to be worked as well as his/her flex time period to his/her manager for pre-approval, reference and planning. If 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).
- d) 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. Employees' participation in the flex time schedule is contingent on satisfactory job performance and is at managers' discretion.
- e) The work schedule of an employee holding a position designated as non-exempt under the FLSA cannot exceed 40 hours in any given week as a result of an employee working an approved flex time schedule. If overtime is incurred **as a result of working flex time**, the employee's flex time privileges may be suspended or revoked at management's discretion. Employees must obtain prior approval before working overtime (see EP 2.4).
- f) All employees, including those working a flex time schedule must take at least a half hour lunch period.
- g) 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).
- h) Employees who participate in a flex time schedule may have one absence from work (such as sick, vacation, floating holiday, holiday, jury duty, FMLA, etc.) during a pay period. More than one absence in a pay period disqualifies flex time schedule participation during 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.

5.4 Office Closing Due to Inclement Weather or Emergencies

- 5.4.1 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 emergency notification system.
- 5.4.2 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 President and Chief Executive Officer or their designee, will contact the EMC members to advise them of the decision to close. EMC members should then notify their respective staffs.

During non-work hours, employees may call the NYPA emergency notification system for office closing announcements.

- 5.4.3 Employees with a pre-scheduled absence on the day of an emergency closing will remain as planned when requested off.
- 5.4.4 If an employee expects to be late due to inclement weather, difficult transportation conditions or any other reason, he/she must notify his/her supervisor of the expected arrival time as soon as possible.
- 5.4.5 If an employee decides not to come to work due to inclement weather, his/her immediate supervisor must be notified as soon as possible. In that instance, the absence must be charged to an employee's accumulated vacation time or floating holidays (accumulated sick time cannot be charged).

5.5. Work from Home

Work from home instances may be considered in certain circumstances, on a limited basis such as when a manager requests it based on business needs, travel arrangements or mutually agreed upon by an employee and his/her department manager; or mandated by an approved reasonable accommodation request (see CP 1-4).

5.6 Records of Attendance

Records of attendance shall be maintained for all employees at all NYPA locations through completion of a time report, which is documented through NYPA's time and attendance tracking system. Supervisors or their designees must approve all time entries before such entries are transmitted to Payroll.

6 VIOLATIONS

Falsification of any records of attendance may result in disciplinary action up to and including termination.

7 REFERENCES

- 7.1 EP 2.4 Management Non-Exempt and Facility-Based Exempt Overtime
- 7.2 EP 4.2 Performance Improvement
- 7.3 CP 1-4 Reasonable Accommodation in Programs and Services for People with Disabilities

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document. **Revision Cycle: Every Other Year**

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	11/1/2016
Executive Owner	Pollack, Rani	11/1/2016
Content Owner	Bodolato, Diana	11/1/2016



Title: Education Assistance Program

Document Type: Employee Policy

Document Number: EP 3.6

Revision Date: 5/13/2016

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

Executive Owner: Kalashian, Steven
VP HR & Organizational Development

Content Owner: Raps-Beckerman, Helene
Employee Development Manager

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

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Education Assistance Program

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	11	Clarified which employees are eligible	2, 5.1	[Helene Raps-Beckerman] [Employee Development Manager]
		Added additional definitions and clarified eligible courses/institutions	3	
		Clarified reimbursement for courses taken during FMLA Medical Leave	5.1.5	
		Allow employees to receive 100% reimbursement for education relating to any NYPA career field. Reimbursement limit no longer based on seasons, reimbursement allotment now has calendar year maximum; reimbursement allowed for individual course or courses that lead to a degree program	5.2	

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

1 PURPOSE AND SCOPE

The Authority is committed to helping its management employees pursue professional growth and development. It encourages the use of the Education 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.

2 APPLICABILITY

This policy applies to all eligible full-time or part-time salaried Authority employees and transitional employees who have been employed by NYPA for 6 months; and 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”, or are on personal leave 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.

Provisional employees, temporary employees, interns, cooperative employees, contingent workers, consultants, independent contractors, 1099 workers, and developmental interns are not eligible for the Education Assistance Program. (See EP: 3.1, Salaried Employees’ Eligibility for Benefits, for definitions of employee categories.)

This policy does not apply to education or certifications paid for through an employee’s respective department.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Certificate Program – 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.

CLEP – College Level Examination Program

Management employee – a salaried non-union employee

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Eligibility

In order to be covered by the Education Assistance Program, the degree or certificate/certification program must be obtained from an institution accredited by the Department of Education. Courses that are not part of a degree or certificate program

are not covered by the Education Assistance Program; those costs may be covered by individual Business Unit budgets. Education assistance from an institution accredited by the Department of Education must either support or improve skills required for:

- (1) the employee's current position; or
 - (2) a potential future assignment with the Authority.
- 5.1.2 An employee is not eligible to be reimbursed for education assistance if the classes end after the employee is terminated. An employee must be a NYPA employee before the class or program begins and must be employed on the last day of the approved class or program.
- 5.1.3 All course work and class attendance must be outside an employee's normal working hours. 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.
- 5.1.4 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.
- 5.1.5 Courses started prior to an approved FMLA medical leave are eligible for reimbursement at the discretion of an employee's immediate supervisor, Human Resources, and Law. Approval for courses started during an approved FMLA medical leave will not be unreasonably denied.

5.2 Reimbursement for Expenses

- 5.2.1 Employees are responsible for payment of tuition and 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 (pass/fail reimbursement is limited to two courses per degree curriculum). If requested, Human Resources will provide a school with verification of an employee's eligibility for the program. For employees that are approved for Education Assistance as of the effective date of this policy, reimbursements are based on a calendar year maximum as follows:
- 1. Certificate/Certification programs \$5,000
 - 2. Undergraduate programs \$10,000
 - 3. Graduate Programs \$15,000

- 5.2.2 For all courses, the Authority will reimburse 100% of tuition, books, lab and computer fees, and mandatory course registration fees up to the maximum annual reimbursement. Employees who receive financial aid, such as a scholarship, grant or reimbursement from any alternate source must report it and the amount on the Education Assistance Program Reimbursement Request Form. This amount will be deducted before computing the allowable reimbursement.

5.3 Reimbursement to the Authority

All benefits under this Policy are dependent upon the employee maintaining employment with the Authority for the education assistance commitment period. This commitment period is a continuous period of at least one year for undergraduate degree programs, two years for graduate programs, and 6 months for certificate programs. The commitment period will commence at the end of the program.

If the employee leaves the Authority's employment before the end of the commitment period (for a reason other than a reduction in force), the employee must repay in full all monies expended by the Authority on behalf of the employee in connection with this policy for the applicable degree or certificate program.

5.4 Tax Consequences

- 5.4.1 For undergraduate and graduate level courses and certificate/certification, the IRS allows the first \$5,250 in employer-provided education assistance in a calendar year to be considered as non-taxable income. Education 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 education assistance qualifies for exclusion as a working condition benefit.
- 5.4.2 While the Authority may initially determine that an employee's education 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.

6 VIOLATIONS

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 Education Assistance Program eligibility. Any falsification or misrepresentation of information will result in the denial of education assistance.

7 REFERENCES

- 7.1** IRS Publication 15-B Employer's Tax Guide to Fringe Benefits
7.2 Education Assistance Procedure EP-Pro 3.6

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Kalashian, Steven	5/13/2016
Content Owner	Raps-Beckerman, Helene	5/6/2016



Title: Employee Assistance Program

Document Type: Employee Policy

Document Number: EP 3.5

Revision Date: 5/4/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Employee Assistance Program

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/4/2016	5	Uploaded information to a new format. This policy had four (4) revisions under the old format. Contingent workers are not eligible If an employee refuses to comply with a mandatory EAP referral, the employee may be subject to disciplinary action up to and including termination of employment.	N/A 2.4 6.0	Brenda Verdesi, Manager, Benefits

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

1 PURPOSE AND SCOPE

The Authority provides the Employee Assistance Program (EAP) as a confidential counseling, assessment and referral service that can help employees and their family members with issues such as stress and anxiety, mental and emotional problems, alcohol and drug dependencies, marital and family problems, legal and financial issues, childcare, adult care and work related problems.

2 APPLICABILITY

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

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EAP- Employee Assistance Program

MRO- Medical Review Officer

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION**5.1 Confidentiality**

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

5.2 Referrals to EAP

- 5.2.1 Supervisors should NOT at any time attempt to diagnose an employee's condition.
- 5.2.2 When a less than satisfactory performance is identified by a supervisor and an employee's job performance or behavior does not improve through normal supervisory intervention, the employee may be encouraged by the supervisor to seek assistance through the EAP. If, however, a less than satisfactory job performance is due solely to a perceived or substantiated lack of capability, the manager should refer to the Performance Improvement policy, (EP: 4.2)
- 5.2.3 When a supervisor becomes aware of any unacceptable behavior (i.e., unusual or inappropriate behavior on the job) or if a supervisor is of the opinion that an employee may pose a hazard to himself/herself or other employees, the supervisor shall immediately contact Employee Relations. At the sites, the supervisor shall contact the Facility HR Manager. Employee Relations will arrange for a mandatory EAP referral if appropriate.
 - a) Following a supervisory referral, Employee Relations will contact EAP on behalf of the employee. The EAP will contact the employee and assess the situation. If needed, the EAP will make a referral to other outside resources for treatment. The EAP representative will notify Employee Relations that the employee has been contacted.

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- 5.2.4 If the employee is referred to the EAP and will require time away from work or cannot return to work, he/she may be placed on leave in accordance with the Authority's leave policies or applicable labor agreement. Employees placed on leave as a result of an EAP intervention must be cleared by the EAP, or another qualified medical provider, before returning to work.
- 5.2.5 Referral to or use of the EAP does not excuse employees from complying with Authority policies or from meeting expected job requirements and performance, during or after receiving assistance or treatment. Nor does referral to or participation in the EAP preclude the Authority from instituting appropriate disciplinary action or performance assessment of an employee.

5.3 Fitness for Duty Referral

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

6 VIOLATIONS

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

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7 REFERENCES

7.1 Fitness for Duty (EP 4.5)

7.2 Performance Improvement (EP 4.2)

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

Printed copies are not controlled.

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

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/4/2016
Executive Owner	Saslow, Karina	4/8/2016
Content Owner	Verdesi, Brenda	4/5/2016

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Title: Employee Background Investigations

Document Type: Employee Policy

Document Number: EP 1.10

Revision Date: 4/25/2016

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

Executive Owner: Pizzo, Kristine
SVP HR & Enterprise Shared Services

Content Owner: Coles, Barbara
Director Recruiting

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

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

Employee Background Investigations

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
4/18/2016	0	Original Issue		Barbara Coles Director, Recruiting

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

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

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

1 PURPOSE AND SCOPE

When making personnel decisions, a background investigation is vital to the selection process. The information collected is necessary to determine an applicant's overall employability and to promote a safe work environment for our current and future employees. It also helps us obtain information to ensure the protection of the Authority's physical property, proprietary information, and other assets. Background investigations will be in compliance with all applicable federal, state, and local laws including fair employment practices and equal employment opportunity.

2 APPLICABILITY

Offers of employment are contingent upon successful completion of pre-employment requirements, which include a comprehensive background investigation for full-time, part-time, intern, and temporary hires. All employees are subject to background investigations every seven years, including employees requesting or having unescorted physical or logical access to Bulk Electric System cyber assets in compliance with the NERC CIP Reliability Standards. This policy may also be applicable to other candidate screening (aptitude test, drug screening, etc.) as the Authority deems appropriate.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

ADA – The Americans with Disabilities Act of 1990 is a law that was enacted by the U.S. Congress in 1990 that is intended to protect against discrimination based on disability.

CORRECTION LAW 23-a – prohibits an employer from unfairly discriminating against a person previously convicted of one or more criminal offenses.

FCRA – Fair Credit Reporting Act is U.S. Federal Government legislation enacted to promote the accuracy, fairness, and privacy of consumer information contained in the files of consumer reporting agencies.

NERC CIP – North American Electric Reliability Corporation Critical Infrastructure Protection is a set of requirements designed to protect the cyber assets whose loss, compromise, or misuse could have an impact on the reliable operation of North America's Bulk Electric System.

The Fair Chance Act – makes it illegal for most employers in New York City ("NYC") to ask about the criminal record of job applicants before making a conditional job offer. Applications and interview questions cannot include inquiries into an applicant's criminal record. This law also requires that NYC employers follow the Fair Chance Process when taking adverse actions based upon applicants' criminal records.

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

Background Investigation

5.1 Process for Pre-employment Hiring

A background investigation will be conducted on every applicant regardless of the position for which they are applying after a formal offer of employment has been accepted. The applicant must complete all sections of the employment application including education, current and prior employment history within the last seven years, and criminal history, when applicable. In some instances, credit history will be verified for positions with fiduciary responsibilities.

The Human Resources department will use a third party vendor to initiate and conduct background investigations after an applicant has consented and signed the Authorization & Disclosure form. The chosen candidate is not to begin work prior to the satisfactory completion of the background check and receiving final approval from Human Resources.

If a decision is made not to hire a candidate based on the results of a negative or incomplete background investigation, there may be certain additional Fair Credit Reporting requirements as noted in section 5.3 Adverse Actions. The Human Resources representative will be responsible for handling such FCRA requirements as necessary with advisement from the Law Department – HR & Labor Relations. Once a business decision is made, Human Resources will notify the candidate and the hiring manager of the final determination.

The background investigations will be conducted by a retained third party vendor in compliance with all applicable federal and state statutes, such as the FCRA and the ADA Act.

5.2 Background Investigations Leads are subject to:

- a. ***Social Security Trace and Address History** confirms address history and social security number provided by applicant and is used to identify jurisdictions where applicable searches below will be conducted.
- b. ***Criminal**
 - **Federal** - Felony and misdemeanor searches for criminal convictions and pending prosecutions, through the respective federal courts in those jurisdictions reported in the SSN trace for the previous seven to 10 years.
 - **County** - Felony and misdemeanor searches for criminal convictions and pending prosecutions through the respective county courts where the individual has lived, worked, or was educated in the past seven years.

- **National wide** - Search of multi-jurisdictional database compiled from state and county criminal record databases. Sources include court records, incarceration records, prison/inmate records, probation/parole/release information, arrest data, sex offender registries, and wants and warrants.
- c. **Education** confirms highest degree obtained including applicants claimed institution, years attended, and the degree/diploma received.
- d. **Prior Employment** confirms verification of employment history as reported by the applicant for the last 7 years. Results include verification of dates of employment, position held, and salary/wages. Current employment will be verified only if the applicant provides authorization.
- e. **Professional License/Certificate** verifies applicable licensing or issuing body for confirmation of membership.
- f. **Motor Vehicle** reports the current status of an individual's license, including traffic violations, failure to appear, and unpaid fines. This search will be mandatory for authorization to drive company fleet vehicles and/or when driving is an essential requirement of the position.
- g. **Credit History** provides a snapshot of financial history, including information regarding delinquent accounts; accounts sent to collection, maximum credit limits available, court judgments, bankruptcies, and liens. This search will be run for positions with fiduciary responsibilities that require the management of the Authority's funds and/or handling of cash.
- h. ***Global Watch Lists**: Results obtained from a search of over 170+ databases covering U.S. and foreign regulatory sanctions, enforcement and watch lists as provided by U.S. and foreign governments and international organizations. Sources include, but are not limited to, the Office of Foreign Assets Control Specially Designed Nationals List, Bank of England Consolidated List, European Union Consolidated List, FBI and Interpol Most Wanted Lists, and other international fraud and Politically Exposed Persons databases.

*NERC CIP 7 year's background leads for current employees are denoted by an asterisk

5.3 Adverse Actions

The term "adverse action" is defined very broadly by Section 603 of the FCRA. Adverse actions include all employment actions affecting applicants that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying employment or promotion. For any type of adverse action, as defined by the FCRA, based at least in part on information contained in a consumer report, such as a background check, Section 615(a) of the FCRA requires that the applicant be notified when adverse actions are taken.

- In the event of a pre-adverse finding, before the Authority takes adverse action, it must give the applicant a pre-adverse action letter that includes a copy of the applicant's background check and a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act". Current or prospective employees will have 10 calendar days in which to provide a written response to Human Resources. Upon receipt of such written response, the Background Investigation Review Committee, comprising of members from Human Resources, Law Department – HR & Labor Relations, and Physical Infrastructure Security departments will discuss the findings and render a business decision in consideration of the pre-adverse data in accordance with NYS Correction Law Article 23-a (and follow the Fair Chance Process as required under the NYC Fair Chance Act for candidates who are employed in New York City).
- After an adverse action has been taken for employment outside of NYC, the Authority must give the applicant notice in writing that the action has been taken. The notice must include:
 - i. The name, address, and toll-free telephone number of the background check vendor.
 - ii. A statement that the background check vendor did not make the adverse decision and is not able to explain why the decision was made.
 - iii. A statement setting forth the applicant's right to obtain a free disclosure of their information from the background check vendor if that request is made within 60 days.
 - iv. A statement setting forth the applicant's right to dispute directly with the background check vendor accuracy or completeness of any information provided by the background check vendor.

5.4 Protection of Personal Information

NYPA assures applicants that all information collected through the background investigation process will only be used as part of the employment process and kept strictly confidential and protected against unauthorized access, use, or disclosure of information, or properly disposing of such information.

5.4.1 NYPA adheres to laws established for the protection of personal information, including:

- Public Officers Law, Article 6-A, Personal Privacy Protection Law
- Public Authorities Law Article 5, Title I
- Fair Credit Reporting Act

5.5 Record-Keeping

The background completion date and overall finding “adverse yes” or “adverse no” will be uploaded in the HRIS/SAP system. The HRIS representative will periodically notify the HR Facility managers and the White Plains HR Coordinator when a background check is up for renewal, every seven years.

6 VIOLATIONS

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

7 REFERENCES

EP 1.2 Recruitment and Job Posting policy

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	4/25/2016
Executive Owner	Pizzo, Kristine	4/25/2016
Content Owner	Coles, Barbara	4/25/2016



Title: Employee Personnel Records

Document Type: Employee Policy

Document Number: EP 5.1

Revision Date: 3/4/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Archer, Lilla
Manager HRIS

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Employee Personnel Records

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
3/4/2016	3	Converting to new format, there were two (2) prior revisions of this Procedure	N/A	Lilla Archer Manager HRIS
		Clarified Responsibilities	4	
		Streamlined content of descriptions, added reference to electronic sources of data	5.1.4	
		Clarified history of management performance reviews and added Written Disciplinary Letter to list of documents.	5.1.4f	
		Clarified confidentiality/access to records	5.2.1	

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

1 PURPOSE AND SCOPE

- 1.1** This policy establishes guidelines for the preparation, maintenance, updating, and accessing of all employee personnel records.
- 1.2** It is the policy of the Authority to preserve the privacy of each employee and former employee through proper maintenance, use, and release of information contained in these records. This information is considered confidential business records, and is the property of the Authority. All records are maintained in accordance with applicable New York State and Federal Laws.

2 APPLICABILITY

This policy applies to all employees of the New York Power Authority.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

HRIS – Human Resources Information Systems

Management Employees – non-bargaining unit NYPA employees.

MyPageNYPA – Refers to a NYPA secure web-based intranet portal to the employee's own digital record in NYPA's official employee database.

MOSAIC – The Authority's cloud based Talent Management system.

4 RESPONSIBILITY

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

HRIS owns the overall management guidelines for employee personnel records.

Facility HR and HRIS for White Plains are responsible for maintaining employee personnel records and access.

5 POLICY IMPLEMENTATION

5.1 Employee Personnel Records

- 5.1.1** Once an individual has been hired; an employee personnel record is established and maintained in the Human Resources Department.
- 5.1.2** The employee personnel record contains information about an employee's service with the Authority. This information is contained in both electronic and paper form.

5.1.3 Over the course of employment, an employee is responsible for notifying Human Resources of changes in name, address, phone number, marital status, and/or emergency contacts. Access to review and change name, address, contact information, notification in case of emergency is available to employees via MyPageNYPA – Personal Information.

5.1.4 Employee personnel records will be maintained as follows:

- a) Employee Contact Information – contains name, address, contact information, notification in case of emergency.
- b) Employee History
 - Employment history summary sheet
 - Hire documentation – resume, application, offer letter, written copy of verification of prior employment history if applicable and education verification of educational attainment
 - Employee status change forms affecting promotion, demotion, transfer, changes in compensation including annual salary program
 - Resignation letter
 - Background checks
 - Benefits records
 - Exit interview and checklist if available
 - Any union Apprentice agreements and step progression communications
 - Leave of Absence – a copy of email notification with leave of absence start and/or end date is kept in files (*no medical documentation*)
 - Access to current salary information is also available to employees via MyPageNYPA – Career and Job/Employee Profile
- c) Education
 - Certificates of course completion
 - Degrees
 - Licenses
 - Access to current education/certification information is also available to employees via MyPageNYPA – Career and Job
 - As of 2015, Full training records are available to employees via MOSAIC – Learning module
- d) Insurance/Retirement:
 - Retirement enrollment form
 - Retirement system communications (Tier change letters, etc...)
 - Benefits Confirmation Statement showing benefits elections is available to employees via MyPageNYPA.

e) Miscellaneous

- Orientation Checklist
- Employee invention agreement
- General safety rule declaration

f) Performance Reviews

- For management employees, performance documents after 2014 are retained in MOSAIC's performance module and are accessible to employees at any time. 2014 and prior performance documents are retained in the employee file. Previous to revision 13 of the Corporate Records Retention Schedule dated 8/7/2009 only the most recent three Performance Documents were maintained.
- Recognition letters.
- Performance award letters
- Any union evaluations
- Written disciplinary letters approved by Employee Relations Unit for management employees or in accordance with the collective bargaining agreements at the sites for union employees. Should documentation have an expiration, files should be monitored to ensure such documents are promptly removed upon expiration.

- 5.1.5 Employee Personnel Records do not include information such as employee relations matters, immigration, utilization of medical or Employee Assistance Program information.
- 5.1.6 Benefits Plan utilization data is available only from the respective Benefit Vendors.
- 5.1.7 I-9 Employment Eligibility Verification forms and any other immigration related documents or communications are maintained as a separate record.

5.2 Confidentiality

- 5.2.1 Employee personnel records are confidential business records and access is restricted to supervisory, human resources, Affirmative Action Officers and legal personnel on an as needed basis, consistent with business necessity. Employees may request access as described in sections 5.2.3 through 5.2.5 below.
- 5.2.2 All employee personnel records must be secured from unauthorized access.
- 5.2.3 The Authority will release information in its Employee Records only in response to legitimate authorized inquiries as described in sections 5.2.4 and 5.2.5 of this policy. All verifications and requests for information are handled by Human Resources Employee Services in White Plains or the Facility HR and Facility Labor Relations Representatives in HR at the sites who will work with HRIS, Payroll and other interested parties to respond to the request.

5.2.4 Unless otherwise required by law, employees must authorize in writing the release of the following information:

- a) employee's current status (active or inactive, last date of employment)
- b) date of hire
- c) job title
- d) salary
- e) location

5.2.5 In the following instances, disclosure of information may exceed that outlined above:

- a) In response to a legitimate request by a properly identified law enforcement authority;
- b) Pursuant to a statute or regulation requiring such disclosure;
- c) In response to a lawfully issued summons, judicial order, search warrant, discovery request, subpoena, or written authorization from the employee;
- d) Pursuant to a collective bargaining agreement providing for disclosure to the individual bargaining representative.

5.3 File Review

5.3.1 If an active employee wants to review any portion of their personnel records then he/she should contact the Human Resources Information Systems Manager at headquarters or the Facility HR Managers or Facility Labor Relations Representative in HR at the site. Upon request, employees will be given the opportunity to review their Employee Records. The Human Resources Information Systems Manager at headquarters or the Facility HR Managers or Facility Labor Relations Representative in HR at the site should acknowledge and grant requests within a reasonable period of time.

5.3.2 Employee Records will be reviewed in the presence of the Human Resources Information Systems Manager, the Facility HR or Facility Labor Relations Representatives in HR at the site or their designees.

5.3.3 The examination of records should be at a time and place mutually agreeable to the employee and the Human Resources representative. The records must remain in the possession of the Human Resources representative and will be reviewed jointly with the employee. Employees may obtain copies of any portion of their Employee Records, but may not alter, modify, or remove any original items contained in the file. Employees may provide a written request to the Human Resources Information Systems Manager at headquarters or the Facility HR Managers or Facility Labor Relations Representative in HR at the site to have their record amended or corrected in whole or in part. Review of their employment files by Bargaining Unit employees

should follow the process negotiated in the contract. If an employee's request to review his/her personnel record is denied, an employee may appeal the decision in writing to the Authority's General Counsel.

5.4 Departmental Employee Files

- 5.4.1 A Department manager may only maintain within the Department those record copies which may be necessary to perform supervisory functions.
- 5.4.2 With the exception of sections 5.2.4 and 5.2.5, access to such departmental employee files should be strictly limited so that those without authorized access or "need to know" are not able to access these records. This is the responsibility of the personnel record holder.

5.5 Retention of Information

- 5.5.1 Retention is governed by the Corporate Records Retention Schedule. At the end of each year, Employee Records of individuals who are no longer employed by the Authority must be forwarded to the Digital Warehouse of Technology & Innovations Department in the White Plains Office. The items contained in such files are limited to the items listed in Section 5.1.4 of this policy. Facility HR or Facility Labor Relations Representatives in HR at the site and HRIS personnel are to review such files for their respective locations to ensure conformity to Corporate Records Retention Schedule and bargaining unit retention schedule for disciplinary letters before sending them to the Digital Warehouse for archiving. HR personnel should seek guidance from the Human Resources Department Head, or designee for the proper disposition of any other personal information that they may have of a separated employee.
- 5.5.2 Employee Records must be retained in accordance with the applicable Corporate Records Retention Schedule.

6 VIOLATIONS

N/A

7 REFERENCES

Corporate Records Retention Schedule – maintained by the Digital Warehouse and available on the PowerNet

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/6/2016
Content Owner	Archer, Lilla	5/6/2016



Policy Title:
Family and Medical Leave Act (FMLA)

Policy Number:
EP 3.3

Page:
1 of 12

Title: Family and Medical Leave Act (FMLA)

Document Type: Employee Policy

Document Number: EP 3.3

Revision Date: 5/16/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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

Family and Medical Leave Act (FMLA)

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/16/2016	4	Contingent workers are not eligible	2.2	Karina Saslow, Director, Total Compensation & HRIS
		Clarify which provisions of policy apply to Management and Union	2.4	
		Renamed Newborn/Adoption Leave to Parental Leave and clarified definition	3.0	
		Clarify definition of qualifying exigency military family leave	3.0	
		Include domestic partners in policy	3.0	
		Added definition of Extended Medical Leave and 1,250 Hours Worked	3.0	
		Clarify that all references to FMLA time period are 12 weeks, not 3 months	Various sections	
		Add intermittent Parental leave for management employees	5.2.3 b	
		Reference to CP 1-11 Reasonable Accommodation Policy	5.6.3	
		Clarify wording of deductions and credits	5.9	
		Moved vacation donation to Vacation policy EP 3.2		

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

1 PURPOSE AND SCOPE

This policy applies to all employees at all New York Power Authority (NYPA or “the Authority”) 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.

2 APPLICABILITY

- 2.1 To be eligible for FMLA leave, an employee must have been employed directly by the Authority for at least 12 months and must have worked at least 1,250 hours during the previous 12 months.
- 2.2 Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority’s payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.
- 2.3 In all cases, qualifying time absent, whether paid or unpaid, will be applied toward the maximum 12-week FMLA time period. The use of sick time, vacation, floating holidays, salary continuation, short term or long term disability, no pay, or Workers Compensation does not alter the status of the leave as FMLA leave, extend the FMLA leave, or extend any Authority provided job security periods.
- 2.4 The majority of this policy applies to both Management and employees covered under a Collective-Bargaining Agreement. However, the following provisions of this policy only apply to Management unless otherwise noted: Domestic Partners; intermittent Parental Leave; Sections 5.8.2; 5.8.4; 5.10.1; 5.10.2. Bargaining Unit employees are directed to their Human Resources Facilities Manager and the applicable Collective Bargaining Agreement or Benefit book.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Type of Leaves Covered Under the FMLA

Employee Medical Leave (“EML”) – An employee’s qualifying “serious health condition” that makes an employee unable to perform the functions of his or her position is eligible for EML. EML may be work related or non-work related.

Family Medical Leave (“FML”) – To care for an employee’s spouse/domestic partner, child, or parent (not parent-in-law) who has a qualifying “serious health condition”.

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Parental Leave - An employee may take leave for the birth of a child and to bond with the newborn child within one year of birth. An employee may also take Parental Leave in connection with the birth, to bond 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.

Military Family Leave ("MFL") (see Section 5.4) – To care for a covered service member if the employee is the spouse/Domestic Partner, child, parent or next of kin of the covered service member.

Qualifying Exigency Military Family Leave ("QEL") (see Section 5.5) – To take care of certain qualifying exigencies arising when a spouse/domestic partner, parent, or child, who is a member of the Armed Forces (including the National Guard and Reserves) has been called to, or is on, active duty.

Other Initialisms and Definitions

Designated Human Resources Representative (HR) – The NYPA representative responsible for overseeing and approving FMLA leaves at each site.

Domestic Partner – A domestic partnership, whose eligibility documentation has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria, prior to the first date of FMLA leave.

Extended Medical Leave – An employee who has exhausted their 12 weeks of FMLA and requires additional medical leave for their own personal illness, can request a reasonable accommodation for an extended medical leave for up to 6 months.

Management – Refers to NYPA non-bargaining unit employees.

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

Reduced Work Schedule - 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.

Serious Health Condition - An illness, injury, impairment or physical or mental condition that involves inpatient care or continuing treatment by a health care provider.

FMLA 1,250 Hours Worked – Time actually worked for the Authority, including overtime hours worked, in the 12 months immediately preceding the start of Family and Medical Leave is counted towards the 1,250 hours. Time not actually worked, including vacation, sick leave, floating holidays, salary continuation, short or long term disability, workers' compensation, or paid or unpaid leave of any kind, is not counted towards the 1,250 hours.

4 RESPONSIBILITY

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

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5 POLICY IMPLEMENTATION**5.1 Eligibility**

- 5.1.1 Eligible employees may receive up to a total of 12 weeks of unpaid FMLA leave in a 12-month period calculated as the 12-month period measured forward from the date of an employee's first FMLA leave usage. 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.
- 5.1.2 Military Family Leave qualifies eligible employees to receive up to a combined total (with any other FMLA leave) of 26 weeks in a single 12-month period.

5.2 Time off for an FMLA Covered Event

- 5.2.1 Employees that are absent from work for more than five consecutive or intermittent business days, may receive up to a total of 12 weeks of unpaid time off in a 12-month period (see 5.1.1) for EML, FML, or Parental Leave.
- 5.2.2 Military Family leave and Qualifying Exigency Military leave have different criteria and eligibility standards See sections 5.1.2, 5.4 and 5.5.
- 5.2.3 Leave may be taken on a consecutive, intermittent or reduced work schedule basis as provided by the health care provider on the certification.
 - a. EML or FML leave on an intermittent basis or reduced work schedule can be taken in either full or half days. For FLSA non-exempt employees intermittent leave may be taken in fifteen (15) minute increments, on a non-regular basis, because of a single qualifying reason.
 - b. Parental Leave may be taken as consecutive leave. Management employees may also take Parental Leave on an intermittent basis in full or half day increments only.
 - c. If an employee needs leave intermittently or on a reduced leave schedule, then the employee must make a reasonable effort to schedule leave so as not to unduly disrupt the Authority's operations.
- 5.2.4 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 5.8.3 and 5.8.6). If an employee on FML has no sick or vacation credits or floating holidays, or elects not to apply accrued credits, non-worked hours will be unpaid.
- 5.2.5 After three consecutive months of EML, and after all required accrued sick leave and salary continuation has been exhausted, a Management employee may be eligible for benefit payments under the 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 HR and refer to their applicable Collective Bargaining Agreement and Benefit book for information on their benefits.

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- 5.2.6 Management employees eligible for Parental Leave should refer to EP 3.10 for details on time off benefits. For employees covered under a Collective Bargaining Agreement (“CBA”), Parental Leave will be without pay unless the employee chooses, and receives approval, to use accrued vacation time.

5.3 Notification/Certification

- 5.3.1 When the need for FMLA leave is foreseeable, an employee should notify his/her supervisor or Designated Human Resources Representative (HR) at least 30 days in advance of the start date of the intended leave, or as soon as it is practicable. 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.
- 5.3.2 FMLA leaves can only be approved by a Designated HR Representative. Once approved, FMLA leave is applied retroactively to the first day of absence.
- 5.3.3 When absences exceed five business days for an FMLA covered event, the employee or their supervisor should provide notification to HR, at which point the FMLA process will be initiated for eligible employees. The following documentation is required:
- a. Employees applying for EML or FML must complete the applicable Certification of Health Care Provider form signed by a health care provider.
 - b. Employees applying for Parental Leave must submit a birth certificate or adoption/foster placement paperwork. Documentation from an agency or attorney verifying such placement of a child must be submitted to HR within 15 business days or as soon as practicable.
 - c. Employees applying for Military Family Leave must complete a Certification of Serious Injury or Illness of Covered Service Member form signed by a health care provider.
 - d. Employees applying for Qualifying Exigency Military Family Leave must complete the Certification of Qualifying Exigency for Military Family Leave form.
- 5.3.4 It is the employee’s responsibility to see that the applicable Certification is completed, and returned to the Authority within 15 calendar days from the date that the employee receives the Certification form from HR. 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, an HR, 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 the Authority seeks to speak to the health care provider directly to obtain or discuss medical information related to the Certification, the employee must provide his/her doctor a HIPAA authorization allowing the Authority to do so.
- 5.3.5 The employee’s request for FMLA leave may be denied in the event that an employee fails to provide: a) a Certification, b) timely remedy of deficiencies in a Certification, or c) a HIPAA

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authorization when requested as necessary for his/her health care provider to provide medical information directly to the Authority.

- 5.3.6 Recertification of the need for FMLA leave may be required at various intervals, but generally not more often 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.
- 5.3.7 Employees returning to work from an Employee Medical Leave must provide HR 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 from EML without sufficient written medical documentation.

5.4 Military Family Leave ("MFL")

- 5.4.1 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 service member while on covered active duty in the Armed Forces.
- 5.4.2 A covered family member is a spouse/domestic partner, son, daughter, parent or next of kin. A covered service member 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 service member became a veteran.
- 5.4.3 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 service member. 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.
- 5.4.4 Such leaves may be on a consecutive basis, intermittent or a reduced schedule basis, as detailed by the health care provider on the Certification.
- 5.4.5 Employees must utilize accrued sick time first until sick leave accruals are exhausted. Employees may then request and utilize any accrued floating holidays (Management only), vacation or other accrued paid time off (see Section 5.8 below) or be placed on no-pay status.
- 5.4.6 In all cases, time absent, whether paid or not, will be applied toward the applicable 26-week FMLA time period.

5.5 Qualifying Exigency Military Family Leave ("QEL")

- 5.5.1 An employee who is a spouse/domestic partner, son, daughter, or parent of a covered service member called to, or on, covered active duty in regular or reserve components of the Armed Forces during a deployment of the service member to a foreign country may take up to 12 workweeks of leave during any 12 month period for a "qualifying exigency."
- 5.5.2 Reasonable documentation of family relationship may be required.

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- 5.5.3 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.
- 5.5.4 Leaves for Qualifying Exigencies shall be unpaid, unless the employee requests and is given permission to use accrued vacation time, floating holidays (Management only) or other accrued time off (excluding sick time).
- 5.5.5 In all cases, time absent, whether paid or not, will be applied toward the applicable 12-week FMLA time period.

5.6 Job Security for Employees While on FMLA or Extended Medical Leave

- 5.6.1 When an 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 12 weeks 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 12 week period.
- 5.6.2 If a department intends to fill a position held by someone on FMLA leave (other than qualifying Military Family Leave) at any time after the expiration of the 12 week job security period, the employee’s supervisor must notify site/headquarters HR and the employee of this intent.
- 5.6.3 For all FMLA leaves other than Military Family Leave, any extended leave beyond the 12 weeks 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 HR and the Affirmative Action Officer, prior to informing the employee of the approval of the extension. Reasonable accommodations will be considered according to CP 1-11. 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. If no such appropriate position is available, a position will not be created. If the employee is unable to return to work at the conclusion of six months, the employee will be advised that his/her continued employment has been terminated.
- 5.6.4 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. If the employee is unable to return to work at the conclusion of six months, the employee will be advised that his/her employment has been terminated.
- 5.6.5 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

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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.

5.7 Workers' Compensation

- 5.7.1 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.
- 5.7.2 In such cases, employees have the option of applying unused accrued sick and/or vacation time to their first 12 weeks of absence from work. The employee must complete a "Use of Vacation/Sick Accruals" form (provided by HR) 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.

5.8 Payroll Status While on FMLA Leave

- 5.8.1 Depending on the particular type of leave and an employee's individual circumstances, an employee may be eligible for income while on a FMLA leave through sick leave (see EP 3.9), salary continuation (see EP 3.10) for Management employees only, vacation leave (see EP 3.2), short term disability for bargaining unit employees, workers' compensation, and/or long term disability, or all or part of a FMLA leave may be unpaid.
- 5.8.2 Management 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.
- 5.8.3 An employee on an FMLA leave who wants to use their accrued vacation or floating holiday time to cover any part of that leave must make a request to HR. Without notification, accrued vacation or floating holiday time will not be automatically applied.
- 5.8.4 Management employees: 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. Employees on unpaid status or salary continuation on the day prior to a holiday will not be paid for the holiday.
- 5.8.5 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.

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- 5.8.6 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.

5.9 Deductions and Credits

- 5.9.1 Applicable benefits and associated payroll deductions (taxes, flexible benefit credits, benefit deductions, Powerflex, waive coverage stipend, NYS Retirement System contributions, Voluntary Defined Contribution Plan contributions, Employees' Savings Plan contributions, Deferred Compensation Plan contributions, loans, Liberty Mutual insurance, other insurance, etc.) will continue while an employee is out on any qualified FMLA leave and is still receiving compensation from the Authority. 5.9.2 Deductions are prioritized by the Payroll Department. Any questions concerning the priority of deductions should be addressed to the Payroll Department and/or Human Resources.
- 5.9.3 Benefits while on a no pay status – Employees have the following options:
- An employee can pay their applicable contributions to the Authority monthly during their leave on an after-tax basis. Management employees contact HR to make payment arrangements. Bargaining unit employees should contact the HR Department for appropriate no pay status form; or
 - An employee can arrange with HR and Payroll to pay back any missed deductions when he/she returns to work. Deductions will be doubled per pay period until all of the missed deductions have been made up. Powerflex deductions must be paid in the same calendar year; or
 - The Authority's obligation to maintain benefits coverage 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.
 - Bargaining Unit employees' payments will be based on their benefit elections and applicable contractual contribution.

5.10 Benefits Coverage Period

- 5.10.1 Management 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.
- 5.10.2 A Management employees 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 5.6.5. If the employee has 10 or more years of service with the Authority and is collecting Long-Term Disability (LTD) payments (see the Employee Benefits Handbook for Management Employees for LTD eligibility criteria), their medical coverage will be continued at a cost to them. The cost will be based on flex credits, minus the cost of the medical plan.

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- 5.10.3 Bargaining unit employees should contact HR and refer to their applicable Collective Bargaining Agreement and Benefit book for benefit coverage period during leaves.

6 VIOLATIONS

Employees attempting to obtain, or obtaining, FMLA leave by fraudulent means, shall be denied the utilization of paid time for time out of work, the restoration of their job or any other job at the Authority and may be subject to disciplinary action up to and including termination of employment.

7 REFERENCES

- 7.1 CP 1-11 Reasonable Accommodation Policy
- 7.2 Employee Benefits Handbook for Management Employees
- 7.3 EP 3.2 Vacation Policy
- 7.4 EP 3.9 Sick Leave Policy
- 7.5 Collective Bargaining Agreement or Benefit book
- 7.6 EP 3.10 Management Salary Continuation Policy
- 7.7 Certification of Health Care Provider
- 7.8 Certification of Serious Injury or Illness of Covered Service Member
- 7.9 Certification of Qualifying Exigency for Military Family Leave

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/16/2016
Executive Owner	Saslow, Karina	5/13/2016
Content Owner	Verdesi, Brenda	5/13/2016

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Title: Fitness for Duty

Document Type: Employee Policy

Document Number: EP 4.5

Revision Date: 5/13/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

Fitness for Duty

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	2	Uploaded information to a new format. This policy had one (1) revision under the old format.	N/A	Brenda Verdesi, Manager Benefits
		Clarify policy is only for Management Employees.	2	
		References to IBEW and contractors was eliminated	Various	
		Labor & HR unit of the law department consulted on violations	5.8	
		Incorporate Compassionate Care Act regulation to policy	5.10 & 5.11	

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

1 PURPOSE AND SCOPE

The purpose of this policy is to support the New York Power Authority's (Authority) commitment to maintain a safe working environment, to make provisions for the safety and health of our employees at their place of employment, to preserve the public confidence placed in us and our employees, and to comply with applicable laws and regulations. The Authority expects each employee to be fit for duty at all times while on the job and requires that all managers and supervisors enforce this policy.

2 APPLICABILITY

This document states the Authority's policy concerning the minimum requirements for Fitness for Duty for all Authority management employees. Additional requirements must be met for Niagara Icebreaker captains and engineers who are subject to random drug and alcohol testing and for those who are subject to for cause testing under Coast Guard regulations. The U.S. Department of Transportation (DOT) also requires certain drug and alcohol testing on Authority employees who operate commercial motor vehicles on Authority business. To the extent this policy is silent on a particular subject and/or conflicts with the terms of a site policy, the site policy shall prevail.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Definitions are provided to explain medical and legal terminology that establishes the criteria and processes set forth in this policy.

Alcohol - Alcohol, spirits, liquor, wine, beer, cider, and every liquid or solid patented or not, containing alcohol, spirits, wine or beer.

Authority Property - Any premises, facilities, offices, or property owned or leased by the Authority including Authority vehicles.

Blood Alcohol Concentration (BAC) - A measure of the mass of alcohol in a volume of blood in an individual's body which can be measured directly from or derived from a measure of the concentration of alcohol in a breath specimen.

Criminally Charged - When an individual has been arrested or issued a summons for a felony or misdemeanor defined in the Penal Law, or in Section 1192 of the Vehicle and Traffic Law, or in any other statute, rule or regulation relating to the use, possession, distribution, or sale of drugs or alcoholic beverages, but not including a criminal accusation of such individual which is not then pending or which was followed by termination of that and all related criminal action or proceedings in favor of such individual.

Illegal Drugs - Those controlled substances enumerated in Reference 5.3 (Article 220 Penal Law of the State of New York), and including without limitation: narcotic drugs, hallucinogens, hallucinogenic substances, and controlled stimulants and depressants. For purposes of this policy, illegal drugs shall also include marijuana and methadone.

Impairment - Alteration of the alertness, judgment, sensory perception, equilibrium, or state of consciousness of a person in a manner adversely affecting psychological or physiological functions.

Management Employees – non-bargaining unit NYPA employees.

Medical Evaluation - an evaluation conducted on behalf of the Authority which would include, at a minimum, an evaluation of vital signs and a test for the presence of alcohol, substances of abuse, and other drugs designated by the Authority's Medical Director.

Medical Professional - an individual certified by the State of New York to perform certain medical functions. Depending on the services required, the individual may be a physician, registered nurse, counselor, paramedic, laboratory technician, or other health professional.

Positive Test - Except in instances of a return to work or a random or unannounced periodic test for specific job functions, the Authority considers an alcohol test positive when through breath analysis, an individual is reported as having a .05 blood alcohol concentration level (BAC) or higher. Where DOT rules apply, the applicable regulation will be followed to detect the presence of alcohol. In instances of a return to work or unannounced periodic tests, the Authority considers an alcohol test positive when through breath analysis an employee has any detectable BAC.

Drugs - An employee is considered to test positive for drugs if the analysis of the urine specimen indicates a detectable presence of a prohibited drug at the concentration level listed below. All Authority drug tests will be confirmed and verified prior to the imposition of any disciplinary action.

Urine samples will be screened for the following substances (where DOT rules apply, the applicable regulation will be followed to detect the presence of prohibited drugs):

Screenings - Initial Test	Cut Off Levels (ng/ml)
Marijuana Metabolites	50
Cocaine Metabolites	300
Opiate Metabolites	2,000
Phencyclidine	25
Amphetamines	1,000

All specimens identified as positive on initial test shall be confirmed by GC/MS (gas chromatography/mass spectrometry) at the following cutoff levels:

Marijuana Metabolites	15
Cocaine Metabolites	150
Opiates	
Morphine	2,000
Codeine	2,000
6-Acetylmorphine	10
Phencyclidine	25
Amphetamines	

Amphetamine	500
Methamphetamine	500

Substances of Abuse - Any substance other than a controlled substance covered by section 19.03 (1) of the Mental Hygiene Law and including without limitation, non-controlled substances such as stimulants, depressants, sleeping medicines, inhalants, and other acting on the mind psychotropic substances which may render an individual unfit for duty.

Reasonable Belief - An opinion which a prudent person would form based on observation or testimony from credible sources. Observation includes, but is not limited to what a supervisor saw, heard, or smelled, and testimony would include statements from credible sources, which may include another supervisor, employee, contractor, or visitor. Reasonable belief must be specifically directed to behavioral observations of a specific person or persons and be based on specific articulable and logical facts that when taken together with rational inferences from these facts and/or that information, would warrant a cautious person to believe a Fitness for Duty policy violation occurred. Objective factors that must be examined and taken into consideration in determining reasonable belief are:

- the nature of the information;
- the reliability of the person or source providing the information;
- the extent of any confirmation; and,
- any other factors contributing to the belief or the lack thereof.

4 RESPONSIBILITY

The Human Resources Department Head delegates the responsibility for implementation and coordination of this policy at the White Plains and Albany offices to the Director of HR and Employee Relations and to Facility HR or Labor in coordination with the Regional Manager at the facilities.

5 POLICY IMPLEMENTATION

- 5.1** All employees are required to come to work fit for duty at all times. If a manager believes an employee is unfit for duty at any time or if a supervisor is of the opinion that an employee may pose a hazard to himself/herself or other employees, then he/she must contact Employee Relations in the WPO and/or Facility HR at the site.
- 5.2** No employee shall report to work under the influence of illegal drugs, alcoholic beverages, or substances of abuse. Further, no employee shall possess or consume alcoholic beverages (except as provided in 5.6 below), controlled substances, or substances of abuse, unless prescribed by a physician, at any time on Authority property or elsewhere when carrying out Authority responsibilities.
- 5.3** Employees who report to work under the influence of illegal drugs, alcoholic beverages, or substances of abuse or who possess or consume illegal drugs, alcoholic beverages or un-prescribed substances of abuse on Authority property may receive disciplinary action

up to and including termination of employment. Further, any employee criminally charged with using, possessing, distributing, or selling illegal drugs on or off duty may be subjected to disciplinary action, up to and including termination of employment.

- 5.4** Employees who consume or use physician prescribed drugs or "over-the-counter" medications which may affect their ability to perform their assigned duties in a safe and efficient manner must inform their supervisor prior to the start or resumption of work.
- 5.5** The possession of alcoholic beverages in the employee's personal vehicle on Authority property is not prohibited by this policy provided such possession is in compliance with state and local laws. Possession of opened alcoholic beverages at employee work stations/location, including lockers, desks, cabinets, etc. is prohibited and violation may lead to disciplinary action up to an including termination.
- 5.6** Employees may consume in moderation, alcoholic beverages at Authority-sanctioned events provided the President or his designee has authorized the serving of alcoholic beverages. Inappropriate or irresponsible behavior at an Authority-sanctioned event, which a supervisor reasonably believes has been caused by the consumption of alcoholic beverages, may lead to disciplinary action up to and including termination.
- 5.7** In the event there is a reasonable belief that an employee has violated this policy, prior to the initiation of an investigation by Employee Relations, site HR or site Facility Labor representative, the Labor & HR unit of the law department shall be consulted on the investigation in connection with such violation which may include a physical search of an employee or a search of an employee's personal property found or stored on Authority premises. All Authority property, including but not limited to, vehicles, shelves, lockers, desks, offices, file cabinets, or other repositories are Authority assets and employees should have no expectation of privacy in such property. Thus, the Authority may inspect or search such property at its discretion. In such instances, an employee's failure to cooperate fully may lead to disciplinary action up to and including termination.

Prior to an employee being directed to undergo testing for the presence of drugs or alcohol, Employee Relations, site HR or site Facility Labor representatives must review the basis for the testing with the Labor & HR unit of the Law Department to ensure reasonable cause exists for the testing.

- 5.8** Clinically accepted drug and alcohol tests may be required when there is a reasonable belief of drug/alcohol use. In such instances, an employee's failure to cooperate fully may lead to disciplinary action up to and including termination.
- 5.9** Employees with drug, alcohol or other problems are encouraged to request assistance voluntarily through the Authority's Employee Assistance Program (see EP 3.5 Employee Assistance Program). While voluntary participation in the Employee Assistance Program may not result in disciplinary action by the Authority, such participation shall not prevent the Authority from taking actions for other violations under investigation, including investigations under this policy, or which may subsequently occur, nor does participation relieve the employee of the responsibility for performing assigned duties in a safe and efficient manner.

- 5.10** Employees shall at all times ensure that their use of medications or other substances lawfully prescribed under New York State law, do not interfere with the performance of their jobs. Employees may request a reasonable accommodation (see CP 1-11) by contacting the Authority's Affirmative Action Officer.

6 VIOLATIONS

The unlawful possession, distribution, sale, or use of illegal drugs, drug paraphernalia, and the misuse or abuse of controlled substances, and/or alcoholic beverages is prohibited during working hours on and off company premises. Violations may lead to disciplinary action up to and including termination

7 REFERENCES

- 7.1** Reference 5.3 (Article 220 Penal Law of the State of New York)
- 7.2** Mental Hygiene Law
- 7.3** Penal Law, or in Section 1192 of the Vehicle and Traffic Law
- 7.4** EP 3.5 Employee Assistance Program
- 7.5** CP 1-11 Reasonable Accommodation Policy for Applicants and Employees with Disabilities

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/6/2016
Content Owner	Verdesi, Brenda	5/6/2016



Title: Leaves of Absence

Document Type: Employee Policy

Document Number: EP 3.4

Revision Date: 5/13/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Leaves of Absence

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	8	Uploaded information to a new format. This policy had seven (7) revisions under the old format	Various	Brenda Verdesi, Manager, Benefits
		Contingent workers are not eligible	2.2	
		Changed wording from Salaried to Management.	Various	
		Clarify minor wording in policy	Various	
		Simplified approvals for leaves under this policy	Various	
		Added Leave of Absence Request Form	5.0	
		Streamlined process for personal leave with/without pay	5.5	
		Employees can use floating holidays to cover leave time	5.5.2	
		Added reasonable accommodation language	5.5.9	

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

1 PURPOSE AND SCOPE

This policy provides the requirements for a New York Power Authority (Authority) management employee to take one of the following leaves of absence:

- leave due to death in the family,
- military leave,
- leave for jury duty, personal leave, or paid volunteer time.

2 APPLICABILITY

- 2.1** This Policy applies to full and part time permanent, transitional and provisional management Authority employees (as defined in EP: 3.1). Unless specified below, Temporary Employees (as defined in EP: 3.1) are not eligible for such paid leave.
- 2.2** Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.
- 2.3** This policy does not apply to leaves under FMLA. See EP 3.3.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

FMLA- Family and Medical Leave Act

PVT- Paid Volunteer Time

Immediate Family - 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 requirements (even if not subscribed to NYPA Domestic Partner medical benefits). Refer to the Flexibility Plan Overview of Employee Handbook on the HR intranet site.

Management –non-bargaining unit NYPA employees

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

Employees requesting a leave of absence must submit a Leave of Absence Request Form 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. The Leave of Absence Request Form is available on the Powernet: Human Resources\Benefits\Benefits Forms\Miscellaneous.

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, then the request must be forwarded to Employee Relations or Facility HR for approval.

5.1 Leaves Due to Death In The Family

- 5.1.1 The Authority provides eligible employees three (3) days of paid leave at the employee's base salary rate, when there is a death in an employee's immediate family.
- 5.1.2 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.
- 5.1.3 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 3), or if an employee intends to take more than the three days provided for in this policy.

5.2 Military Leave

- 5.2.1 If an eligible employee is a member of the National Guard or the reserve personnel of the federal uniformed services he/she will be allowed up to 30 workdays leave of absence per calendar year, with full pay, for military service.
- 5.2.2 Documentation of appropriate military orders must be provided prior to the commencement of the leave with as much advance notice as possible.
- 5.2.3 Upon return from leave, the Payroll Department must receive a copy of the appropriate military orders.
- 5.2.4 Authorized military leave is paid at an employee's base salary.
- 5.2.5 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.

5.3 Leave For Jury Duty

- 5.3.1 The Authority provides eligible employees a paid leave of absence for the time needed to fulfill jury duty service. All classifications of temporary management employees (as defined in EP: 3.1) are entitled to a leave of absence due to jury duty as required by law.
- 5.3.2 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.
- 5.3.3 The employee is expected to report to work to the extent reasonably practicable when jury duty requires only part of the day.
- 5.3.4 Upon return from jury duty, the employee must furnish his/her supervisor with a copy of the jury duty summons or similar documentation.
- 5.3.5 Employees are paid for all days served on jury duty at their base salary in effect upon commencement of leave.

5.4 Pay Status Of Authority Employee Subpoenaed As A Witness

- 5.4.1 If any management 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 for time away from work at his/her base salary.
- 5.4.2 In all other circumstances, e.g., when an employee initiates an action in court or some administrative forum, or appears as a witness in a matter unrelated to the Authority or for activities outside the scope of his/her Authority responsibilities, vacation or floating holiday time must be charged for any absence in connection with that appearance.

5.5 Personal Leave

- 5.5.1 A leave of absence, other than a leave covered under policy EP 3.3 Family Medical Leave Act, such as medical, military, or 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.
- 5.5.2 Before an employee is placed on personal leave without pay, he/she must exhaust all accumulated vacation and floating holiday time. Accumulated sick leave credits may not be used for personal leave purposes.
- 5.5.3 Job security while on personal leave without pay will be considered by the respective department in consultation with the Business Unit and SVP of Human Resources or its designee. Such approvals will be consistent with business necessity and will not be unreasonably denied.

- 5.5.4 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 calendar days or less. The employee will be required to pay his/her employee contributions during a personal leave without pay of 30 calendar days or less. If a personal leave without pay is granted for a period of more than 30 calendar 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.
- 5.5.5 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 unpaid period of the leave. Service credit will resume upon an employee's return from leave.
- 5.5.6 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.
- 5.5.7 When an employee is on personal leave without pay, he/she will not receive holiday pay if a holiday occurs during the leave.
- 5.5.8 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 Facility HR, 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.
- 5.5.9 Employees can request a reasonable accommodation by contacting the Affirmative Action Officer. Reasonable accommodations will be considered according to CP 1-11.

5.6 Paid Volunteer Time (PVT)

- 5.6.1 In order to support the efforts of permanent full-time, management employees (as defined in EP: 3.1) who give their time to communities and charitable organizations, the Authority provides two days of paid volunteer time (PVT) annually.
- 5.6.2 Employees must be actively at work to participate. Employees on a leave of absence are not eligible for Paid Volunteer Time.
- 5.6.3 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.

5.6.4 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.

5.6.5 If an employee is seeking to take a PVT day, he/she must submit a PVT Request Form to his/her supervisor and the Chief Ethics and Compliance Officer, indicating the organization he/she will be volunteering for, the type of activity, and the date of the PVT. The PVT Request form is available on the Powernet: Human Resources\Benefits\Benefits Forms\Miscellaneous. The Chief Ethics and Compliance Officer will 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 and the Chief Ethics and Compliance Officer.

The Authority cannot approve requests for certain activities/projects, including, but not limited to, those which:

- a) pose a potential conflict of interest for the Authority;
 - b) are not aligned with the Code of Conduct or our corporate values;
 - c) may involve the Authority in controversial issues;
 - d) pose safety or security risks to employees (e.g. clean-up work at a disaster site);
 - e) involve construction or remodeling work not under the supervision of a trained professional;
 - f) include any type of volunteer activity not under the supervision of an eligible charity;
 - g) consist of fundraisers for individuals rather than registered charities;
 - h) benefit charities with the sole purpose of providing support to a named individual or a named family;
 - i) influence legislation or involve electing candidates to public office;
 - j) involve religious programs of churches, temples, mosques, or other sectarian organizations;
 - k) are programs offered by clubs, fraternities/sororities, or membership associations; or
 - l) involve attendance at school social or sporting events.
- 5.6.6 The volunteer 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 will be vetted through the Chief Ethics and Compliance Officer in accordance with the U.S. Patriot Act.

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1** Family & Medical Leave Act (EP 3.3)
- 7.2** Management Employee Categories and Eligibility for Benefits (EP 3.1)
- 7.3** Flexibility Plan Overview of Employee Handbook
- 7.4** Paid Volunteer Time Request Form
- 7.5** Leave of Absence Request Form

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/12/2016
Content Owner	Verdesi, Brenda	5/12/2016



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

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

Document Type: Employee Policy

Document Number: EP 3.1

Revision Date: 5/13/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Management Employee Categories and Eligibility for Benefits

Management Employee Categories and Eligibility for Benefits

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	9	Contingent workers are not eligible	2.0	Brenda Verdesi Manager, Benefits
		Change wording from Salaried to Management	Various	
		Clarify wording of Definitions and Classifications	3.0	
		Update Eligibility for 401(k) Plan	5.1	
		Provide more details of retiree eligibility & benefits offered	5.2 and 5.3	

Management Employee Categories and Eligibility for Benefits

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

1 PURPOSE AND SCOPE

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

2 APPLICABILITY

This policy applies to all management Authority employees.

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

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management – non-bargaining unit Authority employees

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

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

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

Classifications

- 3.1 Permanent Employees** – employed on full time or part time basis, paid directly by the Authority and have no pre-determined employment time limit.
 - a) **Transitional position** – Permanent employees who work full-time to fill an anticipated vacancy in another Authority position within a designated time-frame up to one year.
- 3.2 Provisional Employees** – Work full-time for a specific project or assignment for a period that is expected to last at least one year, but not more than three years and who are paid directly by the Authority.

Management Employee Categories and Eligibility for Benefits

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

Additional categories of Temporary Employees include:

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

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Benefits For Active Employees

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

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

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

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

5.2 Eligibility for Benefits in Retirement

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

5.3 Benefits offered in Retirement

The Authority offers the following benefits in retirement: retiree medical coverage; post-retirement life insurance; Medicare Part B reimbursement; and the Employee Assistance

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Management Employee Categories and Eligibility for Benefits

Program. Details of the options are available in the Retiree Benefits Guide on the Powernet.

5.4 Cost of Retiree Medical Benefits

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

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

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

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1 EP 1.9 Transfer or Re-Employment in Public Service
- 7.2 EP 3.2 Vacation
- 7.3 EP 3.9 Sick Leave
- 7.4 Employee Benefits Handbook
- 7.5 Retiree Benefits Guide

8 POLICY REVIEW AND EXPIRATION

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

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Management Employee Categories and Eligibility for Benefits

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9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/6/2016
Content Owner	Verdesi, Brenda	5/6/2016



**Management Non-Exempt and Facility-Based
Exempt Overtime**

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

Document Type: Employee Policy

Document Number: EP 2.4

Revision Date: 5/24/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: McDonnell, Robyn
Senior Compensation Specialist

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

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

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

Policy Number:
EP 2.4

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**Management Non-Exempt and Facility-
Based Exempt Overtime**

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/24/2016	12	Updated document to the new format. This policy had 11 prior revisions under the old format.	N/A	Robyn McDonnell Sr. Compensation Specialist
		Replaced "Salaried" with "Management"	Throughout	
		Clarification of Exempt Eligibility, inclusion of Customer Load Forecasting	2.2	
		Removed section pertaining to Exempt Employees temporarily assigned to a Facility	5.2.6 & 5.3.2	
		Addition of FLSA	6	

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

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

Management Non-Exempt and Facility- Based Exempt Overtime

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

1 PURPOSE AND SCOPE

- 1.1 This policy provides for the payment of overtime to eligible Authority employees (see *Eligible Employees* below). It permits the Authority to:
- a) comply with the Fair Labor Standards Act;
 - b) provide additional compensation to certain exempt positions for ensuring the safe and efficient generation and transmission of electricity during specified overtime events;
 - c) provide some relief for pay compression between bargaining unit employees and first line supervisors; and
 - d) manage overtime costs.
- 1.2 Eligible overtime is scheduled, authorized and approved time worked in excess of the normal workweek, under predetermined conditions related to specific Authority or facility requirements, priorities, special projects, or to maintain safe operating conditions.

2 APPLICABILITY

- 2.1 Non – Exempt Eligible Employees:
- a) All management non-exempt employees are eligible for non-exempt overtime as required by the wage and hour laws of the Fair Labor Standards Act, as enforced by the U.S. Department of Labor.
- 2.2 Exempt Eligible Employees:
- a) First Line Supervisors — management exempt employees with a job category of Supervisor at the facilities whose job is to supervise union employees or the equivalent at non-union facilities, may be eligible for exempt overtime compensation.
 - b) Facility-based management exempt individual contributor employees in grades up through 09 (I/U/X) may be eligible for exempt overtime compensation.
 - c) Management exempt individual contributor employees working in the Trading Room on a 24/7 shift, management exempt individual contributor Fuel Buying/Gas Scheduling positions supporting the Traders, management exempt individual contributor Transmission System Operators working at the Energy

Management Non-Exempt and Facility- Based Exempt Overtime

Control Center (ECC), and management exempt individual contributor Customer Load Forecasting (CLF) Analysts supporting the NYISO energy bidding process and customer energy demands, may be eligible for exempt overtime compensation despite location or grade.

- d) Headquarters management exempt employees, physically working at a facility as part of a specified temporary work project, and who are in grades 01 through 09 (I/U/X) may be eligible for exempt overtime compensation.
- e) Management exempt employees in grades 10 (I/U) and above are not eligible for overtime compensation under any circumstances other than First Line Supervisors as noted in 2.2 (b), and the Fuel Buyers, positions in the Trading Room, System Operators at the ECC, and the CLF Analysts as noted in 2.2 (c).

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

ECC – Energy Control Center

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

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

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

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

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

Management – all non-bargaining unit NYPA employees

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

O&M Budget – Operations and Maintenance Budget

4 RESPONSIBILITY

- 4.1 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.

Management Non-Exempt and Facility- Based Exempt Overtime

- 4.2** 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.
- 4.3** The Business Unit Head is responsible for the prudent use of overtime within the parameters established by the approved O&M Budget.

5 POLICY IMPLEMENTATION

5.1 Non-Exempt Overtime

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

5.2 Exempt Overtime

- 5.2.1** Time worked in excess of the normal workweek at an exempt employee's discretion will not be compensated. For eligible management exempt employees, all paid overtime must be approved in advance in accordance with Sections 1.2 and 5.3.
- a) For exempt employees on 12 hour shifts, overtime is any time outside the regularly scheduled shift, regardless of the number of hours in the shift. If the scheduled rotation results in greater than 40 hours per week over the course of the

Management Non-Exempt and Facility- Based Exempt Overtime

year (e.g., 3 day on/3 day off continuous rotation), then the additional hours over the regular 2,080 hours will be built in overtime. 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.

- 5.2.2 For management exempt employees in, or temporarily acting in, First Line Supervisor positions, approved overtime will be paid at 1½ times the hourly equivalent of the exempt employee's salary for hours of *actual supervision* of NYPA bargaining unit employees, or the equivalent. Similarly, Transmission System Operators and Day Ahead Traders approved overtime will be paid at 1½ times the hourly equivalent of their exempt salary for hours performing their primary duty. Any other overtime hours, if approved, will be paid at a straight time rate.
- 5.2.3 Eligible individual contributor employees may be paid for all hours worked, in accordance with section 1.2. Approved overtime will be paid at the straight time hourly equivalent of the exempt employee’s salary.
- 5.2.4 Exempt employees who are preapproved to work during a scheduled holiday will be paid at 1½ times the hourly rate for First Line Supervisors, and 1 times the hourly rate for non-supervisory employees for actual hours worked in addition to their normal straight time pay for the holiday.

5.3 Approval and Time Records

- 5.3.1 For eligible management exempt employees, an Overtime Approval form must be completed stating, at a minimum, the employee's name, period of time for which the overtime has been requested and approved, a brief description of the task, and the employee's basic workweek hours. Each operating facility may have a standard Overtime Approval form. These must be reviewed and approved (signed) by a Business Unit Head and/or Regional or General Manager, or designee, as appropriate. These records are retained by the applicable department or facility.
- 5.3.2 Payment for authorized overtime under the guidelines of this policy, where practicable, will be charged to the operating budget where the work is performed. The approved time report must clearly indicate the appropriate facility program code number to charge.
- 5.3.3 Payment to a management exempt employee for overtime that has not been specifically directed or authorized by those delegated the responsibility by this policy, will not be permitted under any circumstances. Issues with unauthorized non-exempt overtime will be addressed through the performance management process. [See Section 5.1 regarding treatment of non-exempt employees.]
- 5.3.4 This policy supersedes all prior policies and procedures regarding overtime for exempt and non-exempt personnel.

Policy Title:
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Based Exempt Overtime**

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6 VIOLATIONS

N/A

7 REFERENCES

N/A

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

Policy Title:
**Management Non-Exempt and Facility-
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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/24/2016
Executive Owner	Saslow, Karina	5/24/2016
Content Owner	McDonnell, Robyn	5/24/2016



Title: Management Salary Continuation

Document Type: Employee Policy

Document Number: EP 3.10

Revision Date: 5/16/2016

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

Executive Owner: Pizzo, Kristine
SVP HR & Enterprise Shared Services

Content Owner: Saslow, Karina
Director Total Compensation & HRIS

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

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

Management Salary Continuation

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/16/2016	0	Original Issue	N/A	Karina Saslow, Director, Total Compensation & HRIS
		Incorporate sick at half-pay (from EP 3.9) into salary continuation policy.	Various	
		Incorporate paid Parental Leave into policy.	5.1	
		Effective date for Parental Leave Salary Continuation is January 1, 2016	5.1.1 b	

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

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

1 PURPOSE AND SCOPE

This policy provides the requirements for a New York Power Authority (Authority) permanent or provisional full-time or part-time management employee (see EP 3.1) the potential benefit of salary continuation for the following Family and Medical Leave Act (FMLA) (see EP 3.3) covered leaves of absence:

- Employee Medical leave (EML)
- Parental leave

2 APPLICABILITY

- 2.1** Salary continuation applies only to Authority permanent or provisional, full-time or part-time, management employees on approved EML or Parental leave and does not apply any other type of FMLA Leave or personal leave.
- 2.2** To be eligible for Salary Continuation, an employee must have been employed directly by the Authority for at least 12 months and must have worked at least 1,250 hours during the previous 12 months.
- 2.3** Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Types of FMLA Leave Covered Under the Policy

Employee Medical Leave ("EML") – An employee's qualifying "serious health condition" that makes an employee unable to perform the functions of his or her position is eligible for EML. EML may be work related or non-work related.

Parental Leave – An employee may take leave for the birth of a child and to bond with the newborn child within one year of birth. An employee may also take Parental Leave in connection with the birth, to bond 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.

Other Initialisms and Definitions

Designated Human Resources Representative (HR) – The NYPA representative responsible for overseeing and approving FMLA leaves at each site.

Domestic Partner – Domestic partner whose eligibility documentation has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria,

Management – Refers to NYPA non-bargaining unit employees.

Reduced work schedule - 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.

Waiting period – The first five consecutive scheduled workdays during which the employee is absent from work.

FMLA 1,250 Hours Worked – Time actually worked for The Authority, including overtime hours worked, in the 12 months immediately preceding the start of Family and Medical Leave is counted towards the 1,250 hours. Time not actually worked, including vacation, sick leave, floating holidays, salary continuation, short or long term disability, workers' compensation, or paid or unpaid leave of any kind, is not counted towards the 1,250 hours.

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Salary Continuation

- 5.1.1 Salary continuation is only available during the following qualifying FMLA periods and cannot exceed 12 weeks in a 12 month period.
- a. **Employee Medical Leave (EML)** - After exhausting all accrued sick time, NYPA Management employees are eligible to receive salary continuation at 50% of the employee's base pay per day during the covered FMLA period. Employees have the option of using vacation time and/or floating holidays instead of salary continuation.
 - b. **Parental leave** - An eligible employee must complete the five day waiting period and is required to use available sick accruals for the waiting period only. In the event the employee does not have sick accruals, the employee may substitute vacation time or floating holidays; otherwise, the employee is placed on unpaid leave status. After the initial five day waiting period, the employee is eligible for salary continuation at 100% of the employee's base pay for up to eleven (11) weeks in connection with the birth, adoption, or placement of a child in foster care, and must be taken within timeframe stated in Section 3.
- 5.1.2 If an employee who has already been on an approved FMLA leave, returns to work and then goes back out for another approved FMLA leave within the same 12 month FMLA period, the employee will only be eligible to receive salary continuation 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.
- 5.1.3 For part-time or provisional management employees that are less than full-time, salary continuation will be paid on a prorated basis based on their weekly work schedule.

5.2 Use of Accrued Time

- 5.2.1 Employees who want to use their accrued vacation time or floating holiday instead of salary continuation must make a request to HR. Without notification, accrued vacation or floating holiday time will not be automatically applied.
- 5.2.2 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. Employees on unpaid status or on salary continuation on the day prior to a holiday will not be paid for the holiday.
- 5.2.3 Employees receiving salary continuation or on no pay status are not eligible for Holidays. Employees on a medical leave extending beyond 12 weeks of FMLA (see EP 3.3) will not accrue floating holidays, sick or vacation accruals until they return to work on either full or part-time status.
- 5.2.4 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
- 5.2.5 Once all required accrued time or salary continuation is exhausted, employees will be placed on no-pay status.

6 VIOLATIONS

Employees attempting to obtain, or obtaining, FMLA leave by fraudulent means, shall be denied the utilization of paid time for time out of work, the restoration of their job or any other job at the Authority, and may be subject to disciplinary action up to and including termination of employment.

7 REFERENCES

- 7.1 EP 3.3 Family and Medical Leave Act
- 7.2 EP 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/16/2016
Executive Owner	Pizzo, Kristine	5/16/2016
Content Owner	Saslow, Karina	5/13/2016



Title: No Smoking Policy

Document Type: Employee Policy

Document Number: EP 4.7

Revision Date: 3/18/2016

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

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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

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

No Smoking Policy

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
3/18/2016	4	Uploaded information to a new format. This policy had three (3) revisions under the old format.	N/A	Rani Pollack Director, HR & Employee Relations
		Added the prohibition of chewing tobacco	2	
		Added information about smoking cessation	5	
		Added violation language	6	

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

1 PURPOSE AND SCOPE

It is the policy of the New York Power Authority to promote and protect the safety of all employees through the provision of safe and healthy working conditions. Smoking, including passive inhalation of second hand smoke has been recognized by the United States Surgeon General as a danger to health. In addition, the presence of smoke and tobacco like products in the workplace is a cause of annoyance and discomfort to others.

2 APPLICABILITY

This policy prohibits the smoking and using of tobacco or similar products including, but not limited to, cigarettes, pipes, cigars, smokeless tobacco, chewing tobacco and electronic cigarettes.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EAP- Employee Assistance Program

Smoking-is defined as inhaling, exhaling, chewing, spitting, burning or carrying a lighted cigar, cigarette, pipe, electronic cigarette or any other matter or substance which contains nicotine, tobacco or tobacco-like products.

4 RESPONSIBILITY

Employees with questions related to any aspect of this policy should direct inquiries to Employee Relations at headquarters offices, and to Facility HR at the sites, who shall be designated as the Authority's agents responsible for providing information about, and enforcing, this policy.

5 POLICY IMPLEMENTATION

- 5.1** Smoking is prohibited indoors at all Authority sites and office locations, as well as in company pool vehicles and the company plane.
- 5.2** No Smoking signs shall be posted conspicuously within all Authority sites and office locations to advise employees and visitors where smoking is prohibited. Employees may smoke outside (unless otherwise prohibited) away from entrances and in designated areas.
- 5.3** For questions and information on smoking cessation, contact the Employee Assistance Program (EAP) at 1-800-833-8707.

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6 VIOLATIONS

Employees who violate this policy may be subject to disciplinary action up to and including termination.

7 REFERENCES

N/A

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	3/18/2016
Executive Owner	Pollack, Rani	3/17/2016
Content Owner	Bodolato, Diana	3/16/2016

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

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Policy Title:
Recruitment and Job Posting

Policy Number:
EP 1.2

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Title: Recruitment and Job Posting

Document Type: Employee Policy

Document Number: EP 1.2

Revision Date: 5/13/2016

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

Executive Owner: Kalashian, Steven
VP HR & Organizational Development

Content Owner: Coles, Barbara
Director Recruiting

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

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

Recruitment and Job Posting

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	15	- Changed all sections containing the word "salaried" to "management" - Prohibiting Board of Trustees from seeking paid employment while serving on board - Added 3 definitions - External candidate, Internal candidate, Open position - Internal candidates may apply for internal postings within 12 months with approval of HR - Open positions are posted on PowerNet - Any action varying from the guidelines of this policy requires approval of HR - Managers mutual agree on transition date - Added VP & Chief Ethics & Compliance Officer to authorize hiring of relatives - Hiring of former Authority employees	Through out 2.3 3 5.1.1 5.1.2 5.1.4 5.2.5 5.3.2 5.3.5	Barbara Coles Director, Recruiting

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

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

05/21/2015	14	Changed revision numbering from 0 to 12 and from 1 to 13	Revision History Table	Barbara Coles Director, Recruiting
3/04/2015	13	Minor editorial changes Changed title from Senior Vice President of Enterprise Shared Services to Head of Human Resources	All Through out Cover Page, 5.1.2, 5.2.7, 5.3.2, 5.3.3	Barbara Coles Director, Recruiting
12/01/2014	12	Converting to new format, there were 11 prior revisions of this Policy	N/A	Barbara Coles

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

1 PURPOSE AND SCOPE

The goal of the job posting policy is to ensure that internal candidates are made aware of and have the opportunity to apply for any open management positions either before or concurrent with the Authority's consideration of external candidates for employment.

2 APPLICABILITY

- 2.1** The job posting program makes information available to Authority employees, regarding management Full-time permanent, Part-time permanent and Provisional salaried openings throughout the organization, including the position requirements, job responsibilities and qualifications 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.
- 2.3** 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.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

External candidate – any person that is not employed at NYPA

Internal Candidate – anyone actively employed and is on the NYPA payroll.

Open position – Open positions are considered vacancies and are posted on the NYPA website. Promotional opportunities or job changes/restructuring are not considered vacancies and therefore not posted on the NYPA website.

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 for consideration for a posted open position an internal 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 without reasonable accommodation;
- c) Have a current, formal job performance review rating that is acceptable within the guidelines of the Authority's prevailing performance management system;
- d) Internal candidates must have been in their current position for at least 12 months. In order to be eligible to apply for an open position, employees with less than 12 months of service must obtain approval from their immediate supervisor before applying.

5.1.2 All open positions (as defined in section 3) must be posted internally on the *Powernet* for at least 10 days business days.

5.1.3 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 business days, however, external recruitment efforts may commence simultaneous with the posting.

5.1.4 Any action varying from the guidelines of this policy requires the approval of the SVP of Human Resources or his/her designee.

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., pre-employment 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 three 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 eligible for reimbursement for travel related expenses. Please refer to CAP1.5 Travel Expense Reimbursement. If offered, and the employee accepts the position, he/she may be eligible for reimbursement of certain relocation costs. Please refer to EP 3.8 – Relocation

Benefits for New and Transferred Employees. Employees should discuss these issues and options with their HR representative during the interview process.

- 5.2.3 Employees are not expected to disclose that they are applying for a position until they are made an offer. Employees being considered for a position should expect hiring managers to review performance information and evaluations while making a hiring decision.
- 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 by Human Resources.
- 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 will develop a transition plan and agree on a transfer date. The status of current work assignments, knowledge capture 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.
- 5.2.7 Special conditions may arise when an exception to this policy is appropriate. Under such circumstances, authorization must be obtained from the SVP of Human Resources or his/her designee.

5.3 Employment of Employee Relatives and Former Authority Employees

- 5.3.1 All internal and external candidates are prohibited from being the direct report of a supervisor or relative. If the candidate is not being directly supervised by or directly supervising a relative, but has relatives that are in the reporting chain of command, then the candidate must notify the Vice President and Chief Ethics & Compliance Officer and obtain approval to ensure that the employment does not violate the provisions of this policy or the Authority's Code of Conduct.

Disclosure of relationships required as follows:

External candidates

External candidates must disclose on the employment application if they have a relative (as that term is defined above in Section 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. Human Resources will seek approval to proceed with the external candidate by obtaining written approval as noted in 5.3.2.

Internal candidates or employees

At any time during employment, employees must inform their supervisor and the Vice President and Chief Ethics & Compliance Officer in writing when

- a) a relative may be transferred, demoted or promoted to a position where either the relative or the employee will have personnel decision related responsibilities, or supervisory responsibilities over another relative.
- b) another employee becomes their relative and where either person will have personnel decision related responsibilities or supervisory responsibilities over the other relative. 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.
- c) Exceptions to these guidelines require authorization of the SVP of Human Resources or his/her designee, as well as the Vice President and Chief Ethics & Compliance Officer. Any such request must be in writing.

- 5.3.2 Employees and Trustees may not take part in any hiring or employment decision relating to their relatives. There also cannot be a direct supervisory relationship between an employee/trustee and relative or one where a conflict of interest may exist as a result of a hire, promotion or transfer. Relatives of active employees or Trustees will not be employed on a permanent or temporary basis unless authorization is granted by the SVP of Human Resources or his/her designee, and the President and CEO as well as the Vice President and Chief Ethics & Compliance Officer. 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 or one where a conflict of interest may exist or is reasonably anticipated to later arise.
- 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 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.
- 5.3.5 Hiring of Former Authority Employees

In accordance with the Authority's Code of Conduct, the Vice President and Chief Ethics & Compliance Officer must be consulted prior to the re-employment in any manner of any former Authority employee to ensure compliance with the post-employment restrictions and post-retirement earnings limitations contained in applicable laws and regulations.

5.4 Prohibition against Consideration of Politics in Employment

- 5.4.1 Except as otherwise authorized by applicable laws or regulations, the Authority expressly prohibits employees involved in recruiting, interviewing or hiring or making promotional, disciplinary or other employment decisions relating to Authority 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.

6 VIOLATIONS

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

7 REFERENCES

- 7.1 EP 3.8 Relocation Benefits for New and Transferred Employees
- 7.2 EP 1.10 Employee Background Investigations
- 7.3 CAP 1.5 Travel Expense Reimbursement
- 7.4 Authority Code of Conduct

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Kalashian, Steven	5/13/2016
Content Owner	Coles, Barbara	5/6/2016



Policy Title:
**Relocation Benefits for New and Transferred
Employees**

**Title: Relocation Benefits for New and Transferred
Employees**

Document Type: Employee Policy

Document Number: EP 3.8

Revision Date: 5/4/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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requirements pertaining to NYPA.*

Policy Title:

Relocation Benefits for New and Transferred Employees

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Relocation Benefits for New and Transferred Employees

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/4/2016	6	Converting to the new format. There have been 5 past revisions of this document. Change wording from Salaried to Management All references to "Director of Compensation and Benefits or his/her designee" have been changed to "the designated Human Resources Representative in the White Plains Office" Contingent workers are not eligible Relocation benefits offered at the discretion of HR and hiring manager Eligible locations updated to include only United States lower 48 states Update "Relocation Location Guidelines" to reflect the new Compensation grade structure Remove repetitive language and clarified wording Revise definition of spouse to include spouse/domestic partner	Various Various 2.0 5.1.2 5.2 5.2.1 Various Various	Kal Memon Benefits Specialist II

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		Change IRS distance requirement to only use online mapping source	5.4.1(a)	
		Add information about applying for reimbursement of moving expenses	5.5.1(d)	
		Added receipts for interim living expenses are required	5.8.2	
		Removed unnecessary language	5.9	
		Clarify moving expenses that are not covered under policy	5.10.5	
		Add shipment of personal vehicles to miscellaneous covered expenses	5.11.3(d)	
		The Relocation Certification page has a new notary format	9.2	
		Indicate that repayment of benefits must be by certified check only	6.1.3 & 9.2	

Policy Title:

Relocation Benefits for New and Transferred Employees

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

1 PURPOSE AND SCOPE

This policy provides the guidelines by which relocation benefits are administered to new and transferred employees. It describes the necessary requirements needed to qualify for the benefit (Authority and IRS requirements) if offered, as well as the options available to an employee when the benefit is offered.

2 ELIGIBILITY

This policy applies to certain management, full-time, permanent, and provisional employees as described in section 5.1.

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

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Domestic Partner- a domestic partnership, which has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria, prior to incurring any expenses for the domestic partner under this policy

ERC– Employee Relocation Council

Exempt – meets the Fair Labor Standards Act (FLSA) exemption guidelines

FHA- Federal Housing Administration

IRS- Internal Revenue Service

Management –non-bargaining unit Authority employees.

Authority Facilities:

ALB- Albany Office

B-G- Blenheim-Gilboa Site

CEC- Clark Energy Center Site

HOL- Flynn Site

NIA- Niagara Site

STL- St. Lawrence Site

WPO- White Plains Office

500MW- Astoria Site

VA/GI- Veterans Administration and other federal loans available to current and former military personnel

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION**5.1 Eligible Employees**

5.1.1 Relocation benefits may be provided to eligible employees based on the Recruiting Location Guidelines utilized by Human Resources and specified in section 5.2. 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 this policy and (3) is either:

- a) a permanent full-time, management, or union employee who is transferring to an exempt permanent full-time management position at the request of the Authority (no minimum grade required), or who applies for a posted exempt permanent full-time management position and is hired from one Authority facility to another, for a period that is expected to last one year or longer; (reference EP 3.1 Management Employee Categories and Eligibility for Benefits)
- b) newly hired from outside the Authority as an exempt permanent full-time, management employee at any Authority location for a period that is expected to last one year or longer;
- c) a provisional employee who is offered an exempt permanent full-time management employment with the Authority, with benefits subject to certain limitations (section 5.8.3). Please contact the Corporate Controller's group regarding assignments of less than one year as well as for the most up-to-date information regarding per diem rates and associated issues.

5.1.2 This policy shall be applicable when relocation benefits are extended by the designated Human Resources Representative in the White Plains Office or the Facility HR Manager to the transferred employee at the time the transfer is formally approved, authorized by Human Resources, 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 HR Manager. Relocation benefits shall be granted at the sole discretion of the hiring manager and Human Resources representative.

5.2 Eligible Positions for Relocation Benefits:

This policy applies to relocations that originate in the U.S. Lower 48 states only

Relocation Benefits for New and Transferred Employees

5.2.1 East of the Mississippi:

- a) Exempt positions (non-engineering job families): 08(U/X/I) through 10(U/I), 11A-20A
- b) Engineering job families and positions related to the generation and transmission of power, Environmental Sciences and Energy Efficiency: grades 06X- 09X, 09U-10U and 11A- 20A

5.2.2 Nationwide:

- a) Exempt (non-engineering job families): grades 11A through 20A
- b) Engineering job family and positions related to the generation and transmission of power, Environmental Sciences and Energy Efficiency: grades 09(X/U) through 20A

5.3 New Hire or Transferred Employees

5.3.1 If a newly hired employee satisfies the eligibility requirements for relocation benefits and if offered a relocation benefit, the policy shall be distributed and explained to the employee at the time the offer of employment is officially extended by the recruiter or the Facility HR Manager.

5.3.2 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 lump-sum will be taxed. No other benefits listed in this policy are available to the employee when selecting the stipend option.

5.3.3 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 Facility HR Manager or the designated Human Resources Representative 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 (including attachment 9.1 if applicable) or a \$12,000.00 stipend, grossed up for tax purposes. If the stipend option is selected, no other benefits listed in this policy are available to the employee.

5.3.4 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 appraisals will be ordered by, reviewed and paid for by the designated Human Resources Representative in the White Plains Office.

Two appraisers will be selected from a list of Employee Relocation Council (ERC) certified appraisers in the area of the home. 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 percent, a third appraisal may be conducted at the

Relocation Benefits for New and Transferred Employees

request of the transferring employee and the three appraisals will then be used to determine the average anticipated sale price of the property.

If ERC appraisers are not available in that specific region, the lowest cost appraisers within a 25 mile proximity to the home will be selected to conduct the appraisals.

5.4 IRS Distance Test

5.4.1 According to the current IRS Distance Test, the new main job location must be at least 50 miles further from the candidate'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 update this distance test, the regulations in effect at the time of relocation shall apply.

- a) In determining whether or not a relocation candidate meets the IRS distance requirement, a reputable online mapping resource 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, the Authority will treat prior job location for purposes of the distance test as the job prior to the Authority provisional assignment.

5.4.2 In determining if an employee is in compliance with IRS regulations, the Authority does not determine and is not responsible for tax implications. The relocating employee is advised to consult with his/her own tax advisor.

5.5 Financial Controls & Tax Implications

5.5.1 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 and which are deemed to be reasonable in cost by Corporate Human Resources, 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 must submit a State of New York Exemption Certificate to the vendor;
- b) For those employees choosing the relocation benefits option, 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;

Relocation Benefits for New and Transferred Employees

- c) Reimbursement for covered expenses is limited to the first **six months** of employment or transfer from one Authority facility to another.
- d) Employees must utilize the provided relocation expense forms when submitting for reimbursement of any expenses or for the stipend option. Signatures from the employee's Department Head, Manager, or site Facility Manager must be obtained prior to submitting the expense to the designated Human Resources Representative in the White Plains Office, who will then submit to the Payroll Department for processing. All expenses incurred within six months of the relocation date must be submitted no later 14 days following six month end date.

5.5.2 Expenses reimbursed under this policy are included 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.**

5.5.3 Any tax liability associated with the relocation is outlined in IRS Publication 521-Moving Expenses, which is provided to the eligible employee along with this policy. The Authority will withhold taxes on all amounts reimbursed under this policy in accordance with the Internal Revenue Code and IRS regulations.

5.5.4 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.

5.5.5 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.**

5.6 Non-Covered Expenses

5.6.1 The Authority recognizes that extenuating circumstances may necessitate a deviation from this policy. A deviation will be deemed a non-covered expense. For a non-covered expense 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 non-covered expense is required. If the employee is not willing to surrender a reimbursable relocation expense(s) of comparable value, the request to cover the non-covered expense will be denied.

5.6.2 The justification/expense-offset indication must be sent to the designated Human Resources Representative in the White Plains Office for review; it will then be determined whether the request for the expense is approved or denied. **Non-covered expenses above and beyond the provided benefits under this policy may be**

charged to the department to which the employee is being hired or transferred if the annual HR relocation budget is exceeded for that calendar year.

- 5.6.3 Any deviation from this policy, other than outlined in sections 5.6.1 and 5.6.2, will require detailed written justification as to the business need. The justification must be sent to the designated Human Resources Representative 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 Human Resources Benefits group will maintain a record of all such requests made by an employee or business unit.

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

5.7 House Hunting

- 5.7.1 Reimbursable house hunting trip expenses 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).
- 5.7.2 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.
- 5.7.3 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.
- 5.7.4 Air or train travel reimbursement for house hunting must be approved by the designated Human Resources Representative in the White Plains Office or the site Facility HR Manager with concurrence from the designated Human Resources Representative in the White Plains Office prior to incurring the expense.
- 5.7.5 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 by calling (914) 287-3191. If the Travel Department is not utilized, the employee will not be reimbursed.
- 5.7.6 During house hunting, occupation of more than one hotel room must be approved by the designated Human Resources Representative in the White Plains Office prior to incurring expenses.
- 5.7.7 An employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for the following travel and living expenses which may be incurred by the employee and spouse/domestic partner during the search for a new residence near the facility:

Relocation Benefits for New and Transferred Employees

- 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;
- b) Use of a rental vehicle for house hunting will be applied towards the employee's miscellaneous expense allowance;
- c) Fees for tolls and parking expenses incurred in connection with house hunting and travel by personal/rental car, or in connection with authorized air or train travel to and from the airport/station;
- d) 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;
- e) Reasonable meal expenses for breakfast, lunch and dinner, for the employee and his/her spouse/domestic partner and/or children may be reimbursed (providing house hunting does not take place during the interim living period); and must not exceed the daily maximum allowance per person, as specified in Corporate Accounting Policy 1.5, Reimbursement for Employee Meal Costs;
- f) Lodging expenses incurred (at the Authority/State rate). The Authority issued personal charge card should be used for this expense. If the employee does not have an Authority issued charge card, a personal credit card may be used.

5.8 Interim Living Expenses

- 5.8.1 It is the responsibility of the employee to make any interim living and transportation arrangements. It is recommended that arrangements be made through the Authority's Travel Department in order to secure the best rates.
- 5.8.2 A lump sum gross amount of up to \$3,250 per month downstate (WPO, HOL and 500MW) and up to \$2,500 per month upstate (ALB, B-G, CEC, NIA and STL) will be provided for the employee's interim living expenses. Receipts of all incurred costs must be provided in order to receive reimbursement. The employee will be reimbursed the interim living amount by submitting a Relocation Expense Statement at the end of each month following the hire/transfer date. Expenses for partial month (leading up to delivery of household goods and/or occupying the new residence) will be pro-rated.
- 5.8.3 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 sections 5.8.1– 5.8.7.

Relocation Benefits for New and Transferred Employees

- 5.8.4 Interim living expenses (as defined in section 5.8.6.) will be reimbursed to the employee for a maximum of three months and must 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.
- 5.8.5 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.
- 5.8.6 The following interim living expenses will be covered by the appropriate monthly lump sum:
- a) Charges for a hotel room or apartment/house monthly rental fees
 - b) Charges for laundry;
 - c) Charges for local and long distance telephone calls; and
 - d) Expenses for daily meals (as specified in Corporate Accounting Policy 1.5).
- 5.8.7 The employee may be reimbursed for trips home every other weekend or Authority holiday (listed on the Authority's holiday schedule for the employees corresponding work location; floating holidays are not included for this purpose) 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 Company Travel Policy, CP 2-1. If the employee elects to travel home by air or train, travel must be arranged by the Authority's Travel Department and that fare, plus parking and tolls connected with the travel, will be reimbursed. Reimbursement will not be made beyond the three-month interim living period.

5.9 **Moving to New Residence**

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 and substantiated by submitting employee-provided receipts and/or the invoice for commercial moves.

- 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 relocation expense, or if a lump-sum stipend is provided to the employee, may not be reimbursed as a business expense under any other Authority policy;

Relocation Benefits for New and Transferred Employees

- b) The reasonable charge for a hotel room. Hotel rooms must be obtained through the Authority's Travel Department in order to receive the most cost effective rate. When moving the family to the new location, occupancy of more than one room must be approved by the designated Human Resources 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 will be permitted. 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 Authority contracted commercial van line.
- d) Tolls for a maximum of two personal vehicles.

5.10 Movement of Household Goods

- 5.10.1 The employee may elect to have his or her household goods moved from the old residence to the new residence either by an Authority contracted commercial van line or through a self-move using a rental vehicle.
- 5.10.2 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 from the list of contracted vendors.
- 5.10.3 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.
- 5.10.4 The following items may be incurred in a commercial van line move and are considered covered expenses:
 - a) line haul charges;
 - b) insurance charges - declared value;
 - c) cost of containers;
 - d) charges for packing and basic unpacking; and
 - e) 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).
- 5.10.5 The following items are not covered in a commercial van line move:
 - a) extra pick-up/delivery;
 - b) automobiles, boats, or any other recreational or lawn vehicles
 - c) frozen food, and/or perishable goods;

Relocation Benefits for New and Transferred Employees

- d) swing sets, pool tables, lumber/building materials, pianos, or any other items that would incur additional moving costs outside of a regular shipment cost;
- e) storage and associated costs; and
- f) crates and/or crating charges.

5.10.6 Movement of any other unusual, cumbersome, or dangerous items that will incur additional shipping costs, will be subject to prior approval by designated Human Resources Representative in the White Plains Office.

5.10.7 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:

- a) rental of the moving vehicle;
- b) cost of containers and equipment for packing;
- c) insurance coverage;
- d) rental of a tow bar for a personal vehicle;
- e) gas used during rental of a vehicle; and
- f) servicing of appliances.

5.10.8 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).

5.11 Miscellaneous Relocation Expenses

5.11.1 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.

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

5.11.3 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;

Relocation Benefits for New and Transferred Employees

- d) Charges related to shipping of up to two personal vehicles to the new location when the employee must travel by air or train. Shipment should be arranged by the employee with a third party shipping vendor of their choice;
- e) Child care expenses necessary to permit employee and spouse/domestic partner to search for a new residence. Child care will be covered up to \$350.00 per week for in-home care for all of the employee's children. Child care arrangements such as a day care centers, family day care, and live-in arrangements must be discussed with the designated Human Resources Representative in the White Plains Office or the site Facility HR Manager;
- f) Installation charges for television/internet/cable connections which were installed in the employee's previous residence. Proof of telephone/cable/internet connections in employee's previous residence and new residence in the form of recent invoices must be provided; and
- g) Fees for kennel or shipment of pets.

5.11.4 See Attachment 9.1 for additional reimbursable expenses for transferred employees.

6 VIOLATIONS

6.1 Reimbursement to the Authority

- 6.1.1 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 voluntarily relocates, transfers, or separates from service prior to completion of a 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 percent of the total benefits provided (including any gross-up if applicable) if voluntary relocation, transfer, or separation occurs before the completion of six months, beginning with the employee's start date at the new Authority location; (2) 50 percent of the total benefits provided (including any gross-up if applicable) if voluntary relocation, transfer, or separation occurs on or after six months, but prior to the completion of the one-year period.
- 6.1.2 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.
- 6.1.3 In the event that a reimbursement is owed to the Authority under this policy, the Authority shall request such amount to be paid by the employee in the form of a certified check prior to the employee's last day of work. If the employee voluntarily relocates or

transfers, the employee shall provide the Authority with a certified check for the balance prior to his/her relocation or transfer date to the new location.

- 6.1.4 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 9.2).

7 REFERENCES

- 7.1 Domestic Partner Guidelines for Management and Union Employees**
- 7.2 Management Employee Categories and Eligibility for Benefits Policy, EP 3.1**
- 7.3 IRS Document 521-Moving Expenses**
- 7.4 Corporate Accounting Policy 1.5, Reimbursement for Employee Meal Costs**
- 7.5 Company Travel Policy, CP 2-1**
- 7.6 NYS Tax Exemption Certificates**
Powernet→Quick Links→Travel Desk→ Travel Forms
- 7.7 Recruiting Location Guidelines**

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

- Attachment 9.1: Additional Reimbursable Expenses for Employees Transferred from One Authority Location to Another**
- Attachment 9.2: Relocation Reimbursement Option Certification**

**ATTACHMENT 9.1 - ADDITIONAL REIMBURSABLE EXPENSES FOR EMPLOYEES
TRANSFERRED FROM ONE AUTHORITY LOCATION TO ANOTHER****Sale of Residence at Former Location**

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 percent 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.

Renting at Former Location

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

Purchase of Residence at New Location

9.1.1 If the transferred employee was renting at former location, he/she will not be reimbursed for real estate expenses which may be incurred if he/she chooses to purchase a residence at new location.

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9.2.2 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 5 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).

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 10 percent of the first year's rent.

ATTACHMENT 9.2: RELOCATION REIMBURSEMENT OPTION CERTIFICATION**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, or request a transfer to another Authority location.

1. I will reimburse the Authority 75 percent of the total benefit received, provided voluntary transfer or separation occurs within a six month period following my start/transfer date to the new Authority location.

2. I will reimburse the Authority 50 percent of the total benefit received, provided voluntary transfer or separation occurs on or after the six month period, 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 hereby agree to provide the Authority with a certified check for the repayment amount owed prior to my last day of employment, or prior to the transfer date at the new location when requesting a location change.

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.

ACKNOWLEDGEMENT TO BE COMPLETED BY A NOTARY PUBLIC

State of _____ County of _____ On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC (Please sign and affix stamp)

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/4/2016
Executive Owner	Saslow, Karina	4/27/2016
Content Owner	Verdesi, Brenda	4/26/2016

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Title: Salary Administration

Document Type: Employee Policy

Document Number: EP 2.1

Revision Date: 5/20/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: McDonnell, Robyn
Senior Compensation Specialist

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Salary Administration

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/20/2016	19	• Use the term Management instead of Salaried for references to non-union employees for consistency with employee categories in EP 3.1 • Updated Merit Program timing • Replaced “in-place” promotion with “competency” promotion • Addition of Skill Adjustment • Reordering of Lateral & Demotion under Skill. Clarification lateral is element of Skill. • Clarification of timing of salary actions • Sign-On addition of requirements	Through out 5.1.4 5.2.3 5.3 5.4 / 5.5 5.9 5.10	Karina Saslow Dir. Total Comp & HRIS
07/07/2015	18	Updated document to the new format. This policy had 17 prior revisions under the old format. • New Organizational Roles updated (SVP, Human Resources) • Clarification of Lump Sum payments being pensionable • Clarification of leave of absence and merit timing • Update on in-place promotion requirements	N/A Through out 5.1.5 5.1.6 5.2.3a	Christopher Gillard Compensation Specialist

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		• Removal of compa-ratio limits and addition of guidance on positioning pay in range.	5.2.1	
		• Clarification of >10% increases and potential for spreading it over period of time.	5.2.2	
		• Expanded definition of market and equity adjustments	5.3.3 & 5.3.4	
		• Clarification of lateral moves.	5.5	
		• Addition of FLSA statement	6	

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

1 PURPOSE AND SCOPE

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

2 APPLICABILITY

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

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

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

FLS - First Line Supervisor

Management - non-bargaining unit NYPA employees.

4 RESPONSIBILITY

- 4.1** All types of actions described in this policy, including the effective date of the salary action, require the approval of the Business Unit Head, the Senior Vice President Human Resources or his/her designee, and the President and CEO or his/her designee. 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.
- 4.2** Any salary action varying from the guidelines of this policy requires documentation, justification, and majority approval from the Compensation Committee and the President and CEO. The justification must contain a detailed explanation for the request. Requests that are insufficient will be returned for further justification or denied.
 - a) The Compensation Committee requires a minimum of three participants. It is made up of the Business Unit Heads that report directly to the President and CEO, excluding the Business Unit Head directly involved in the request, and the Senior Vice President Human Resources.
- 4.3** Any action affecting the hiring of or promotion to Vice President or higher also requires notification to the Governance Committee.

- 4.4** The Trustees and the Governance Committee will receive a quarterly report of all salary actions implemented in the prior quarter.

5 POLICY IMPLEMENTATION

5.1 Annual Merit Increase

- 5.1.1 Annual merit increases are intended to provide recognition and reward for performance within the parameters of NYPA's annual salary budget. However, neither an annual salary budget nor an annual performance assessment is a guarantee that a salary adjustment will occur.
- 5.1.2 An employee's performance rating summarizing his/her annual performance will be taken into consideration for annual merit purposes and ensures that an employee is considered for a salary adjustment.
- 5.1.3 Eligibility:
- a) Only employees who receive a performance rating of 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 rating of Did Not Meet Expectations.
 - c) Employees whose date of hire is within the six months prior to the Annual Merit increase effective date will not be eligible for that years' increase.
- 5.1.4 Timing:
- a) Effective dates of annual merit increases are at the discretion of senior management and will be announced each year as business needs allow.
 - b) In the case of employees on approved leaves of absence, the effective date of increases may be adjusted (see section 5.1.6).
- 5.1.5 General Guidelines:
- a) Base salaries of employees who earn a performance rating of 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 to go over must have appropriate approvals as specified in section 4.2. If the maximum of the grade range is exceeded by the recommended salary increase, then the portion of the increase in excess of the maximum will be granted in the form of a pensionable lump sum payment which does not become part of base pay and must be re-earned each year.

- b) Base salaries of employees who earn a performance rating of Exceeds Expectations may exceed the maximum of the grade range by 4%. If the recommended salary increase exceeds 4% above maximum, then the portion of the increase in excess of the maximum will be granted in the form of a pensionable lump sum payment which does not become part of base pay and must be re-earned each year.
- c) If an employee is under the minimum of the grade range for his/her job and has a performance rating of Achieved Expectations or better, an adjustment to minimum will be given prior to the Merit increase, unless a plan is already in place to progress them to the minimum of the range.

5.1.6 Approved Leaves of Absence:

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

5.2 **Promotional Increases**

- 5.2.1 Assignment of an employee to a position of one or more grades higher may be accompanied by an increase in salary of up to 10%. A current performance assessment needs to be on record for employees recommended for promotion. An employee's position in a grade range should reflect proficiency for the expectations of the level of the role. The lower third is entry range, people new to the field, less skilled performers. Median range is skilled performers/experienced for the level of work defined. Upper third range is consistent top performers and critical skill/experts.
- 5.2.2 When a 10% promotional increase does not bring the employee's salary to the minimum of the new grade range, or creates equity concerns (see section 5.8), the employee may receive a larger increase with approval of the Compensation Committee (see section 4.2). Increases over 10% may result in the increase being spread out over a defined period of time and based on continued performance of Achieved Expectations or better.

5.2.3 Types of Promotions:

- a) **Competency:** Competency promotions are based on defined essential knowledge, skills, and abilities for a certain level of work. An individual needs to demonstrate their ability to meet these requirements and management needs to provide a business need for this level of work. A Job hierarchy needs to be in place for a competency promotion to be implemented. Competency promotions for the upcoming year will be planned for in the merit planning cycle. They will be implemented in the following year on common dates determined and announced at the beginning of the year.
- b) **Organizational Promotion (backfill or new role):** Employee is assigned a different job in order to fill an open or newly created position with expanded responsibilities at a grade higher than the employee's current position. These will be implemented at the time a candidate is identified for the position.
- c) **Re-evaluated position:** When a business need drives a change in work or a reorganization results in a job having expanded responsibilities and increased level of competency, a job analysis should be requested by the Business Unit Head and forwarded to the Human Resources Compensation Group in order to assess supporting a higher grade range (see section 5.6.3).

5.3 Skill Adjustments

- 5.3.1 A skill adjustment allows managers to recognize consistently demonstrated growth of an employee in a role and may include an increase in salary of up to 6%. An employee's position in a grade range should reflect proficiency for the expectations of the level of the role. The lower third is entry range, people new to the field, less skilled performers. Median range is skilled performers/experienced for the level of work defined. Upper third range is consistent top performers and critical skill/experts.
- 5.3.2 Skill adjustments should not occur for an individual more than three times within a grade level.

5.4 Lateral Transfer

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

5.5 Demotions

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

5.6 Job Descriptions

- 5.6.1 Each Business Unit head, or their designee, is responsible for ensuring that the management jobs in their organization have accurate and up-to-date descriptions on record with the Human Resources Compensation group. Substantive changes (increased or decreased) in the primary responsibilities, scope, and/or minimum qualifications must be communicated to the HR Business Partner and Compensation group. Based on the revised description, the Compensation group, with the input of management, reviews and evaluates the job against both the marketplace and internal comparable positions.
- 5.6.2 Recommendation for changes to any job based on the evaluation are coordinated with and approved by the respective Business Unit Head(s) for departments in which the job exists.
- 5.6.3 An evaluation may result in a change in grade. If a job is re-evaluated upward due to a significant change in job content, consideration may be given to granting a promotional increase as previously defined and outlined in Section 5.2.3 b.
- 5.6.4 Employees whose positions are re-evaluated and downgraded and whose salaries are greater than 4% above the maximum of the new grade range may have their salaries reduced to 4% above the maximum of the new grade range, otherwise salaries will not be adjusted based on a downgrade in the job

5.7 FLS Differential

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

5.8 Market / Equity Adjustments

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

5.9 Timing of Salary Actions

- 5.9.1 With the exception of the annual merit increase, at least six months must elapse between any salary actions, inclusive of date of hire.
- 5.9.2 The Compensation group, each year, will provide a calendar of common effective dates for skill adjustments, competency promotions, and job re-evaluations. These transactions will be frozen during the annual merit increase planning cycle.
- 5.9.3 Organizational promotions, lateral moves to fill a position, and demotions will be acted upon at any time during the year.

5.10 Sign-On & Retention

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

5.11 Incentive Pay

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

6 VIOLATIONS

N/A

7 REFERENCES

EP: 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year**9 ATTACHMENTS**

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/20/2016
Executive Owner	Saslow, Karina	5/18/2016
Content Owner	McDonnell, Robyn	5/18/2016



**Screening and Pre-employment for Bargaining
Unit Positions at Operating Facilities**

**Title: Screening and Pre-employment for Bargaining
Unit Positions at Operating Facilities**

Document Type: Employee Policy

Document Number: EP 1.4

Revision Date: 5/13/2016

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

Executive Owner: Kalashian, Steven
VP HR & Organizational Development

Content Owner: Raps-Beckerman, Helene
Employee Development Manager

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Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	8	- Removed section pertaining to physical filing of applicants by job classification. - Streamlined Processing Employment Applications section to reflect the current process. - Placement Exercise Series section updated to reflect current practices. - Employment Interview section updated to reflect current practices.	5.1 5.2 5.3 5.4	Helene Raps-Beckerman Employee Development Manager

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

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

1 PURPOSE AND SCOPE

This policy provides a uniform system for the screening, processing, pre-employment selection, and hiring of employees to fill full-time or provisional bargaining unit positions at the Authority's operating facilities. All new hires for bargaining unit positions will be required to undergo a comprehensive background investigation.

This policy is to be used in conjunction with the existing Equal Employment Opportunity, Anti-Harassment and Anti-Discrimination Company Policy (CP 01-14), and Recruitment/Job Posting Employee Policy (EP 1.2).

2 APPLICABILITY

This policy applies to managers in their screening and pre-employment of bargaining unit positions.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Placement Exercise Series: A set of individual written ability exercises designed to measure cognitive traits relevant to a specific family of positions in NYPA (e.g., operating positions, maintenance positions, technical/design positions, clerical and administrative positions, etc.). Each Placement Exercise Series generally consists of four individual ability exercises.

Skill Exercise: An exercise designed to measure a learned motor function (i.e., a "skill") such as typing, keyboarding, data entry, word processing, operating equipment, or other activity acquired by training and practice.

4 RESPONSIBILITY

To ensure that the process for pre-employment selection for bargaining unit positions is administered uniformly throughout the Authority, the HR Facility Manager or Labor Relations Representative is responsible for overseeing and administering this policy.

5 POLICY IMPLEMENTATION

5.1 Application Process

- 5.1.1 All external applicants must apply for positions through the online applicant tracking system found on NYPA's website. Resumes cannot be considered in place of a completed online employment application.
- 5.1.2 Employment applications must be fully completed and electronically signed by the applicant.
- 5.1.3 Applicants may choose only one job posting per application. Applicants who wish to be considered in more than one category must complete an application for each position.

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Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

- 5.1.4 There are certain qualifications required by law or Authority policy which every applicant must meet before being considered for employment.
- a. The applicant must be available to work the scheduled hours and days required by the Authority.
 - b. Certain jobs require specific skills, licenses, or other requirements. The job posting will reflect the necessary skills and qualifications for each position.
 - c. The applicant must satisfactorily complete all levels of the pre-employment selection process.
 - d. The required background investigation and/or medical evaluation must be successfully completed.
- 5.1.5 Upon submission of a completed online application form, including an authorization to conduct background investigations, the HR Facility Manager or Labor Relations Representative will maintain a computer database to track the status of an application and to comply with the Authority's Records Retention Schedule. Attempts to contact applicants should be noted in the applicants' record. The original application date, not the day on which the application was updated, will be used for selecting from the active file unless the applicant has changed occupational preference.
- 5.1.6 With no exceptions, applicants may be disqualified at any stage of this employment process. Such disqualification is recorded in the applicant tracking system, along with an explanation for the disqualification.
- 5.1.7 To begin the process of filling an open position, all resumes will be reviewed by the HR Facility Manager or Labor Relations Representative. Candidates will be selected to continue in the employment process based on their qualifications, experience, skill, and abilities.

5.2 The Placement and Skill Exercises

- 5.2.1 Applicants will be evaluated based on the results of placement and/or skill exercises. Under no circumstances will an applicant be administered any type of placement exercise series exercise that is not part of an approved selection plan (unless it is mandated by a governmental or regulatory body).
- 5.2.2 Applicants who achieve a minimum passing score on each exercise that makes up the placement exercise series are considered qualified. The HR Facility Manager or Labor Relations Representative will prepare a summary of the results of the scores obtained from the placement exercise series by qualified applicants. All other applicants are considered not qualified and will receive written notice that they will not continue in the employment process. Applicants who score Not Qualified will be entered into two separate databases, one maintained at the site where the test was administered and another at the WPO. Scores and test materials used by candidates who have successfully completed a particular placement exercise series will be retained in accordance with the Records Retention Schedule.
- 5.2.3 Applicants are limited to two attempts per placement exercise series and three attempts at skill exercises with a one year time period between each administration. There shall be a minimum of a one-year interval before a placement exercise series can be re-administered to an applicant who has previously received an unacceptable score on the required placement exercise series. Applicants who did not qualify on the placement

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

exercise series, but wish to try to improve their scores must allow a one-year interval before they can retake the required placement exercise series. However, there shall be a minimum of a thirty day interval before a skills exercise (as defined in section 3) can be re-administered to an applicant who has not been able to achieve an adequate score on a previous attempt.

- 5.2.4 Occasionally, a salaried Authority employee may wish to be considered for a bargaining unit position. When this situation arises, the HR Facility Manager or Labor Relations Representative will not administer the placement exercise series to the employee unless one or more of the following conditions exists:

- a. The employee is applying for a position in the bargaining unit that is outside of the functional area of his/her current position (e.g., a security sergeant applying for a Technician A position).
- b. The relevant placement exercise series had been substantially revised or altered since the time the employee qualified on them.

- 5.2.5 Occasionally, a former Authority employee may wish to be considered for a bargaining unit position. When this situation arises, the HR Facility Manager or Labor Relations Representative will administer the relevant placement exercise series unless the applicant has previously qualified on the placement exercise series and the placement exercise series has not been substantially altered or revised.

- 5.2.6 In the event of a change to the placement exercise series, the scores and test materials will be discarded and the applicant will need to begin the testing process again.

5.3 The Employment Interview

- 5.3.1 HR Facility Manager or Labor Relations Representative will conduct employment interviews for qualified candidates in accordance with 5.2. Only applicants with fully completed applications, required qualifications, and qualifying scores on the placement exercises will receive an interview.
- 5.3.2 Any new or additional information obtained during the interview should be added, by the applicant, to the application.
- 5.3.3 Each candidate will be interviewed using the same set of predetermined interview questions. An Interview Evaluation Form must be completed for each applicant interviewed and should accurately reflect the quality of the interview. The decision made from the interview must be substantiated by the notes made during the interview. These notes are retained at the respective sites, by the HR Facility Manager or Labor Relations Representative and are reviewed with the regional manager. Applicants with an overall rating of 'excellent' should be sent to the Departmental Interview first. If the department supervisor does not wish to hire any of the applicants with an 'excellent' rating, applicants with a 'more than satisfactory' rating would be interviewed. Department supervisors need not interview every applicant who has been deemed qualified.

5.4 The Departmental Interview

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

- 5.4.1 The hiring manager will conduct a departmental interview to determine if the applicant possesses the knowledge and/or skills required for the job and to familiarize the applicant with specific duties, requirements, the work environment, and to answer any questions the applicant may have regarding the position.
- 5.4.2 Only applicants who have received overall ratings of “more than satisfactory” or “excellent” should be interviewed by the department head or supervisor. There should be no exceptions to this method of selecting applicants for the departmental interview.
- 5.4.3 During the departmental interview, supervisors are responsible for evaluating the technical competence of the applicant by obtaining information relating to the applicant's possession of the levels of knowledge/skill required by the position (i.e., knowledge/skill the applicant must bring with him/her on the first day of employment) and completing a Department Interview Report Card for each applicant interviewed. Written comments on these evaluations must be made for all candidates interviewed.

5.5 The Selection Decision

- 5.5.1 The final selection decisions must be based on the whole person/total job concept. Only the most qualified applicant processed through the applicable stages of the employment process should be considered for final selection.
- 5.5.2 The interviewer makes a recommendation to HR regarding an employment offer, signs the Interview Evaluation Form, and returns it and any other documentation to the HR Facility Manager or Labor Relations Representative.
- 5.5.3 When the HR Facility Manager or Labor Relations Representative extends an offer of employment, he/she shall notify the candidate that the offer of employment is conditioned based upon the results of the background investigation and medical evaluation in accordance with Employee Background Investigation policy EP 1.10. The candidate will be asked to sign a separate Fair Credit Disclosure and Authorization to allow NYPA to perform such investigations and tests as the candidate successfully proceeds through the pre-employment testing and interview processes. Upon completion of a successful background investigation and medical evaluation, the HR Facility Manager or Labor Relations Representative or hiring manager must confirm the offer in writing.
- 5.5.4 Applicants who are interviewed, but not selected, will be informed in writing. The applicant must also be advised that the information will remain in our active file for one year and that the applicant may be contacted in the future. The specific reason(s) for disqualification must be recorded on the employment interview form.

6 VIOLATIONS

N/A

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

7 REFERENCES

- 7.1 CP 01-14 Equal Employment Opportunity, Anti-Harassment and Anti-Discrimination
- 7.2 EP 1.2 Recruitment/Job Posting Employee Policy
- 7.3 Fair Credit Reporting Act, U.S.C. 1681 et. Seq
- 7.4 NYS Correction Law Article 23-A
- 7.5 NYC Fair Chance Act
- 7.6 EP 1.10 Employee Background Investigation Policy

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

Policy Title:

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

Policy Number:
EP 1.4

Page:
8 of 8

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Kalashian, Steven	5/13/2016
Content Owner	Raps-Beckerman, Helene	5/5/2016



Title: Separation from Service

Document Type: Employee Policy

Document Number: EP 1.6

Revision Date: 5/13/2016

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

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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Separation from Service

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	5	Uploaded information to a new format. This policy had four (4) revisions under the old format. Updated- titles and minor verbiage Defined- two weeks' notice Clarified- the termination process Added: Employees are required to return any NYPA property in their possession on or before their last day of work.	N/A Multiple sections 3 5 5.3.2	Rani Pollack Director, HR & Employee Relations

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

1 PURPOSE AND SCOPE

This policy, which applies to all Authority employees, provides direction for the recommendation, approval and processing of separations due to termination, retirement or resignation from NYPA.

2 APPLICABILITY

Employees may be terminated at any time by the Authority with or without cause. The terms and conditions of employment for employees represented by a bargaining unit are contained in the applicable Collective Bargaining Agreement.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management - non-union employees

Two weeks' written notice - 14 calendar days beginning the day the supervisor receives written notification of resignation or retirement.

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Termination Recommendations-Management Employees

- 5.1.1 If a supervisor desires to terminate an employee, that supervisor should contact Employee Relations or a Facility Human Resources to review the basis for the request to terminate. Thereafter, Human Resources will have a discussion with the supervisor and may need to speak with various employees and supervisors through the business unit head.

Once Employee Relations or Facility Human Resources has completed its initial investigation, Employee Relations or Facility Human Resources should then contact the HR & Labor Unit of the Law Department, who will partner with the Chief Ethics Officer, as appropriate, to review the matter and discuss an appropriate recommendation. Thereafter, Employee Relations or Facility Human Resources, the business unit and the HR & Labor Unit of the Law Department will meet to discuss the situation and the recommendation.

After review and approval by the HR & Labor Unit of the Law Department, the manager will be asked to submit a written recommendation for termination (a termination justification memo) to the HR & Labor Unit of the Law Department.

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- 5.1.2 The written termination justification memo must be approved by the Business Unit Head, the Head of Human Resources, the General Counsel or his/her designee, the Chief Ethics Officer (for ethics issues as appropriate), and the President & CEO.
- 5.1.3 The termination justification memo is for internal use only and is not a part of the personnel record. The Employee Relations department will retain a copy of the approved termination justification.
- 5.1.4 After the necessary approvals have been obtained the supervisor and a Human Resources representative will meet with the employee to discuss the termination. The manager will inform the employee that his or her employment has been terminated and the Human Resources representative will provide information about the continuation of benefits and other documentation. If an employee is not informed in person, Human Resources will work with management to notify the employee by letter at his or her last known residence.
- 5.1.5 If deemed appropriate by the Authority, the Authority may offer the employee the option to resign. The employee will be advised that by electing to resign, he or she may not utilize the Termination Dispute Resolution policy (see EP 4.3). If such option is offered and an employee resigns, his or her personnel records shall reflect a "resignation in lieu of termination."
- 5.1.6 If a Management employee below the Vice President level, has been terminated and wishes to appeal that decision, he or she may initiate the Termination Dispute Resolution (See EP: 4.3).

5.2 Termination Recommendations- Bargaining Unit Employees

- 5.2.1 Supervisors should review recommendations for termination of bargaining unit employees with Facility Labor Relations and the HR & Labor Unit of the Law Department prior to submittal to the Regional Manager.
- 5.2.2 After approval by the Regional Manager, the recommendation shall be referred to the Director, Labor Relations or his/her designee, for review and approval. Written termination recommendations must be approved by the Business Unit Head, the Head of Human Resources, the General Counsel and the Chief Ethics Officer (for ethics issues as appropriate).

After the necessary approvals have been obtained the employee will meet with his/her supervisor and the Facility Labor Relations representative. The manager will inform the employee that his or her employment has been terminated and the Labor Relations or HR representative will advise him or her concerning benefits eligibility. If an employee is not informed in person, Labor Relations will work with management to notify the employee by letter at his or her last known residence.

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- 5.2.3 The termination justification memo is for internal use only and is not a part of the personnel record. Labor Relations will retain a copy of the approved termination justification.
- 5.2.4 If a bargaining unit employee has been terminated from employment and wishes to appeal that decision, he or she must follow the grievance procedures outlined in the Collective Bargaining Agreement.

5.3 Resignations/Retirements

- 5.3.1 Management employees must provide at least two weeks' written notice of their resignation prior to the effective date of their separation from service in order to be eligible for payment of unused accrued vacation time (see EP 3.2, Vacation).
- 5.3.2 Once proper notification is received by Human Resources, an exit interview will be scheduled with the employee. NYPA property in their possession will be returned on the last day of employment. Employees will receive a reasonable period to return any other NYPA property.
- 5.3.3 When an employee separates from NYPA for any reason other than an involuntary termination, he/she must physically be at work on his/her last day of employment. Vacation, floating holidays, or sick time may not be used on an employee's last day of work. Exceptions to this rule must be approved by the Head of Human Resources.
- 5.3.4 Upon retirement, in addition to payment of unused accrued vacation time, Management employees may elect to cash out up to 100 days of unused accrued sick leave, apply up to 165 unused accrued sick days toward service credit with the New York State and Local Retirement System ("Retirement System"), or cash out a portion of their sick leave (up to 100 days) and apply a portion (up to 165 days) towards Retirement System service credit. Upon retirement for bargaining unit employees, use of unused accrued sick and vacation time is contained in the applicable Collective Bargaining Agreement.
- 5.3.5 Employees who retire must have an Application for Service Retirement on file with the New York State and Local Retirement System at least 15 days, but not more than 90 days prior to their retirement date. In order to be eligible for NYPA benefits in retirement, employees must meet the eligibility criteria outlined in EP 3.1, Management Employee Categories and Eligibility for Benefits. Eligibility for NYPA benefits in retirement for bargaining unit employees is contained in the applicable Collective Bargaining Agreement for bargaining unit employees.

6 VIOLATIONS

N/A

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7 REFERENCES

- 7.1** EP 3.1 Management Employee Categories and Eligibility for Benefits
- 7.2** EP 3.2 Vacation
- 7.4** EP 4.3 Termination Dispute Resolution

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Pollack, Rani	5/12/2016
Content Owner	Bodolato, Diana	5/12/2016

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

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



Title: Severance Policy

Document Type: Employee Policy

Document Number: EP 1.7

Revision Date: 4/1/2016

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

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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

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

Severance Policy

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
4/1/2016	3	Uploaded information to a new format. This policy had two (2) revisions under the old format.	N/A	Rani Pollack Director, HR & Employee Relations
		Expanded on the definition of an eligible employee	3	
		Defined and expanded severance pay	3	
		Detailed payment schedule	5.1	
		Explained which payroll deductions can and cannot be made from severance pay	5.4	

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

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

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

1 PURPOSE AND SCOPE

This Policy provides guidelines specifying the details surrounding severance pay.

2 APPLICABILITY

- 2.1** This policy is applicable to Management full-time and part-time Permanent, Provisional and Transitional employees as defined by EP 3.1 Management Employee Categories and Eligibility for Benefits. This policy is not applicable to Temporary employees. Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Company's payroll system, or who are classified by the Company as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its subsidiaries or successors.
- 2.2** Severance pay shall be given to an eligible employee who is involuntarily terminated [1] through no fault of their own [2] As a result of a layoff, reduction-in-force, restructuring, or reorganization.
- 2.3** Instances or actions where an employee is not eligible to receive severance:
- a. Voluntarily resignation; or
 - b. Termination for cause; or
 - c. In the event of a takeover of all or part of an Authority facility or asset, where an employee is offered a comparable position with the new employer, and the employee declines the offer; or
 - d. In the event that an employee is offered a comparable position with NYPA, and the employee declines the offer

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Week of base salary- annual salary divided by 52; such calculation does not include overtime pay

Eligible employees- Management full-time and part-time Permanent, Provisional and Transitional employees as defined in EP: 3.1, Management Employee Categories and Eligibility for Benefits

Management employee- is a non-union employee

Severance pay- a payment offered to eligible employees. Such payment is calculated based on the impacted employee's current base salary and length of service.

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

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

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Eligible employees are offered severance in accordance with the following pay schedule:

Length of Service	Severance Pay
< 1 year	1 week of base salary
1 year	2 weeks of base salary
2 years	4 weeks of base salary
3 years	6 weeks of base salary
4 years	8 weeks of base salary
5 years	10 weeks of base salary
6 years	12 weeks of base salary
7 years	14 weeks of base salary
8 years	16 weeks of base salary
9 years	18 weeks of base salary
10+ years	20 weeks of base salary (max payout)

5.2 The severance will be prorated on a monthly basis. Any portion of a month of service will be counted as a full month.

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5.3 Severance pay will be paid out in a separate lump sum check to be issued as soon as administratively possible within the normal pay schedule.

5.4 Payroll Deductions

5.4.1 Vacation time taken in excess of accrued time will be deducted from severance pay.

5.4.2 The following cannot be deducted from severance pay including but not limited to: New York State and Local Retirement System and Voluntary Defined Contribution Plan deductions; 401(k) and 457 plan contributions and loan payments; health, life, disability, Flexible Spending Account deductions, etc. or any amounts owed for property not returned.

5.4.3 Severance payments are subject to applicable federal, state and local taxes.

6 VIOLATIONS

N/A

7 REFERENCES

EP 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	4/1/2016
Executive Owner	Pollack, Rani	4/1/2016
Content Owner	Bodolato, Diana	4/1/2016

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Title: Sick Leave Policy

Document Type: Employee Policy

Document Number: EP 3.9

Revision Date: 5/16/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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

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

Sick Leave Policy

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/16/2016	5	Contingent workers are not eligible	2	Brenda Verdesi, Manager, Benefits
		Revise sick time accrual for employees on leave	5.1.4	
		Allow all sick time to be used for family illness	5.2	
		Added wording about use of sick time during Family & Medical Leave Moved Sick Leave at Half-Pay to new Policy 3.10 Salary Continuation	5.2.6	
		Change wording of Salaried to Management	Various	
04/10/2015	4	Converting to new format. There were 3 prior revisions of this policy.	N/A	Brenda Verdesi Manager, Benefits

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

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

1 PURPOSE AND SCOPE

This policy provides guidelines for the accrual and use of sick leave credits and long-term disability for management employees.

2 APPLICABILITY

This policy applies to certain management, permanent and provisional employees, as described in EP 3.1 Management Employee Categories and Eligibility for Benefits.

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

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EML - Employee Medical Leave, refer to EP 3.3

FML – Family Medical Leave, refer to EP 3.3

FMLA - the Family and Medical Leave Act policy, refer to EP 3.3

Management Employee – all non-union NYPA employees

NYPA – New York Power Authority or “the Authority”

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Sick Leave Accrual

5.1.1 Full-time management 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

5.1.2 Part-time management 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.

5.1.3 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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- 5.1.4 If, for an entire pay period, an employee is on a personal leave of absence without pay, medical leave extending beyond 12 weeks of FMLA (see EP 3.3), or long term disability, s/he will not accrue sick leave credits until they return to work.
- 5.1.5 In the event of death, payment for accrued and unused sick leave will be paid first to the beneficiary as named in the employee's group life insurance policy as permissible under the NYS Surrogates Court Procedure Act § 1310 ("SCPA") with the remainder (if any) being paid to the estate of the decedent. If no allocation is permissible under the SCPA, the entire amount of unused vacation will be paid to the estate of the decedent.
- 5.1.6 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 EP 3.1.) Details on payout options at retirement are available in the Retiree Benefits Guide on the PowerNet.

5.2 Sick Leave Usage

- 5.2.1 Sick time shall not be substituted for any other types of absences and may only be used for:
 - a) an employee's illnesses or injuries
 - b) an employee's trips to a health care provider (including reasonable travel and actual visit time)
 - c) a family member's illness or injury as specified in Section 5.2.4 below
 - d) Family Medical Leave and Parental Leave as specified in EP 3.3 and EP 3.10
- 5.2.2 Employees must notify their supervisor of any sick time absence as soon as practicable, and keep the supervisor informed as to their expected date of return. 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.
- 5.2.3 Accrued sick leave may only be used in full or half-day increments. 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.
- 5.2.4 A family member is a child, spouse, parent (not parent-in-law), or domestic partner whose eligibility documentation has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria prior to using accrued sick leave.
- 5.2.5 When absences exceed five (5) consecutive days, an employee or supervisor must notify the designated Human Resources representative, at which point the FMLA process will be initiated for eligible employees and the leave will be designated under FMLA leave (See EP: 3.3).
- 5.2.6 Employees on approved EML must exhaust all accrued sick time before becoming eligible for salary continuation (see EP 3.10 for more details.) Employees on approved FML must use sick time before using unpaid absence. Employees on approved Parental Leave are required to use sick time during the five day waiting period before becoming eligible for salary continuation (see EP 3.10 for more details.) The use of sick time does not alter the status of the leave as FMLA leave, extend the FMLA leave, or extend any Authority provided job security periods.

- 5.2.7 The Authority may require [a] written medical documentation of an illness or injury, and/or [b] that the employee be examined by a physician designated by the Authority before approving the use of any sick leave 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.
- 5.2.8 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 FMLA, performance issue, etc.] to prevent abuse of this benefit.

5.3 Long Term Disability

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 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 Management Employees on the NYPA PowerNet.

6 VIOLATIONS

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.

7 REFERENCES

- 7.1 EP 3.1 Management Employee Categories and Eligibility for Benefits
- 7.2 EP 3.3 Family & Medical Leave Act
- 7.3 EP 3.10 Management Salary Continuation Policy
- 7.4 Employee Benefits Handbook

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/16/2016
Executive Owner	Saslow, Karina	5/13/2016
Content Owner	Verdesi, Brenda	5/13/2016



Title: Termination Dispute Resolution

Document Type: Employee Policy

Document Number: EP 4.3

Revision Date: 3/31/2016

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

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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

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

Termination Dispute Resolution

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
3/31/2016	10	Uploaded information to a new format. This policy had nine (9) revisions under the old format. Changed title to "Termination Dispute Resolution" from "Dispute Resolution" Deleted- dispute resolution option for policy and performance review concerns which can be addressed through EP 4.2, Performance Improvement or with Human Resources Added- the Committee may reach out via a scheduled telephone conference call to the former employee if they have questions or additional detail is necessary.	N/A N/A Multiple sections 5.1.2	Rani Pollack Director, HR & Employee Relations

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

1 PURPOSE AND SCOPE

Termination Dispute Resolution is an internal process that Management employees may use to appeal their termination of employment.

2 APPLICABILITY

This Policy applies to all Management, Provisional and Transitional Authority employees below the level of Vice President as defined by EP: 3.1 entitled "Management Employee Categories and Eligibility for Benefits". This policy does not apply to Temporary employees.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EMC- Executive Management Committee

Management- non-union employees

Provisional Employee- Employed on a full-time basis (37 1/2 or 40 hours per week) 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.

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.

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.

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Termination Dispute Resolution

- 5.1.1 If a terminated employee wishes to appeal that decision, he/she must submit a detailed written description explaining the issue(s) to the SVP, Human Resources no later than five business days following notification of termination. This submission must be received, or have a postmark date, by the 5th business day subsequent to the termination date.

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

- 5.1.2 For termination dispute resolution, a Review Committee will be convened consisting of three EMC members as selected by the President or designee and will not include the SVP, Human Resources or any EMC member that is involved in the termination decision. The Committee will review the employee's submission, as well as any other documents relevant to the decision to terminate the employee. If the Committee has questions for the former employee, the Committee will reach out to the former employee via a scheduled telephone conference call. Thereafter, the Review Committee will forward to the former employee, a written determination regarding the outcome of the dispute resolution process.
- 5.1.3 The Review Committee's decision is final and will conclude the Authority's review of the termination.

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1 EP: 3.1 Management Employee Categories and Eligibility for Benefits
- 7.2 EP: 4.2 Performance Improvement

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	3/31/2016
Executive Owner	Pollack, Rani	3/30/2016
Content Owner	Bodolato, Diana	3/30/2016

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

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



Title: Transfer or Re-Employment in Public Service

Document Type: Employee Policy

Document Number: EP 1.9

Revision Date: 5/4/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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

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Policy Title:
**Transfer or Re-Employment in Public
Service**

Policy Number:
EP 1.9

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**Transfer or Re-Employment in Public
Service**

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/4/2016	7	Change wording of Salaried to Management Contingent workers are not eligible Eliminated reference to retirees with 211 or 212	Various 2.2 5.0	Brenda Verdesi, Manager, Benefits
10/27/2015	6	Correction to Direct Transfer Retiree Benefits total years of eligible service	5.1	Karina Saslow Director, Total Compensation & HRIS
10/19/2015	5	Converting to new format. There were 4 prior revisions of this policy. Clarification of eligibility and new service requirements for retiree benefits. Addition of application.	N/A 2, 3, 5, 9	Brenda Verdesi Manager, Benefits

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

1 PURPOSE AND SCOPE

This policy provides guidelines pertaining to the potential transfer of vacation and sick leave accruals and retention of hire date for employees reemployed by New York Power Authority (NYPA) or who directly transferred from New York State service, as defined below.

2 APPLICABILITY

- 2.1** Eligible Employees include any management full-time or part-time permanent or provisional NYPA Employees. This policy does not apply to Temporary Employees, as defined in EP 3.1.
- 2.2** Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Company's payroll system, or who are classified by the Company as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.
- 2.3** Eligible Service may be considered for Employees who directly transfer from other eligible New York State Service within one year of their termination from such service (referred to as Direct Transfers), and participated in the New York State and Local Retirement System. Former NYPA Employees who are re-employed by the Authority (referred to as Rehires) are eligible for service credit as stated in Section 5.0.
- 2.4** For purposes of service credit, this policy does not apply to the New York State and Local Retirement System or the Voluntary Defined Contribution Plan.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Boards of Cooperative Educational Services (BOCES) – New York State shared educational programs and services that partner with districts to provide a broad range of services to help meet the evolving educational needs of students.

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 or BOCES.

Management – non-bargaining unit NYPA employees.

New York State (NYS) Service – Includes Executive, Legislative, or Judicial branches, a Civil Division thereof, or a NYS Public Benefit Corporation service with respect to retirements.

NYS Public Benefit Corporation – For the purpose of administering this policy only, a NYS Public Benefit Corporation shall be limited to those identified in the OSC Guide to Financial Operations, Chapter XVI, Section 3.F.

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Rehires\Direct Transfers

Vacation and sick leave accruals, service credit and retiree benefit eligibility will apply as stated in the following table:

Service Credit Employee Type	Rehired (less than 1 year)	Rehired (greater than 1 year)	Direct Transfer within 1 year
Date of Hire	Retain original NYPA hire date	Reset to NYPA rehire date	Retain previous employer hire date
Vacation/Sick Leave/Service Awards	Credit for prior NYPA service	No credit for prior NYPA service	Credit for previous employer service
Service Requirement for Retiree Benefits (Hired\rehired prior to January 1, 2016)	10 years of NYPA service	10 years of NYPA service; at least 5 must be since rehire date	10 years of eligible service; at least 3 must be with NYPA
Service Requirement for Retiree Benefits (Hired\rehired on\after January 1, 2016)	15 years of NYPA service	15 years of NYPA service; at least 5 must be since rehire date	15 years of eligible service; at least 5 must be with NYPA

5.2 Transition

Eligible Employees have six months from their date of hire with the Authority to submit a Prior Service Request Form (located on the Powernet under Human Resources\Benefits\Benefit Forms\Miscellaneous) to Corporate Benefits in WPO, and apply for an adjustment in their date of employment and service credits. Retrospective adjustment of benefits shall be made when applications are approved by the designated Benefits Department representative.

6 VIOLATIONS

N/A

Printed copies are not controlled.

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

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

7 REFERENCES

EP 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

Printed copies are not controlled.

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

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

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/4/2016
Executive Owner	Saslow, Karina	4/8/2016
Content Owner	Verdesi, Brenda	4/5/2016

Printed copies are not controlled.

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

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



Title: Vacation

Document Type: Employee Policy

Document Number: EP 3.2

Revision Date: 5/17/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

Printed copies are not controlled.

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

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

Printed copies are not controlled.

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

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

Vacation

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/17/2016	13	Change wording from Salaried to Management Policy does not apply to contingent workers. Revise vacation accrual for employees on leave Submitting vacation requests Added wording about use of vacation during Family & Medical Leave Deceased employee accrued vacation will be paid out according to Legal Department procedures Clarify wording and change Vacation Buy-Back to Vacation Cash Out Added vacation donation policy (moved from EP 3.3 Family & Medical Leave policy)	Various 2.0 5.1.1(d) 5.2.1 5.2.4 5.4 (e) 5.5 5.6	Brenda Verdesi Manager, Benefits
04/10/2015	12	Converting to new format. There were 11 prior revisions of this Policy.	N/A	Brenda Verdesi Manager, Benefits

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

1 PURPOSE AND SCOPE

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

2 APPLICABILITY

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

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

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management – non-bargaining unit NYPA employees.

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Eligibility for Vacation

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

- a) Employees are credited with 20 vacation days on January 1 of each year.
- b) In an employee's first year of NYPA employment, vacation days are credited on a pro-rated basis (rounded up to the nearest half day), based on the employee's date of employment (1/12th of 20 vacation days, or 1 2/3 days for each month of service). For example, if employment began in April, the employee receives 15 vacation days for the year. If employment began in December, the employee receives two vacation days.

- c) Employees who have 11 or more years of eligible NYPA service will be credited with an additional ½ vacation day on January 1 immediately after they attain 11 years of eligible service. (See EP 1.9, Transfer or Re-Employment in Public Service, for transferred time eligibility criteria.) For each succeeding year of service, another ½ day will be credited on the following January 1st of each year until a maximum of 25 days per year is credited upon the January 1st after reaching 20 years of service.
 - d) Employees on a personal leave of absence without pay, a medical leave extending beyond 12 weeks of FMLA (see EP 3.3), or long term disability on January 1, will not be credited with vacation days until they return to work, at which point vacation days will be credited on a pro-rated basis for the full months worked during the year. Employees who go out on a medical leave or a leave of absence without pay after being credited with their vacation days on January 1, and remain employees, will keep the vacation days that were granted on January 1.
- 5.1.2 Permanent part-time management employees are credited on a pro-rated basis contingent on the assigned number of hours worked per week. If part-time employees become full time during the year, their vacation days for the year will be adjusted on a pro-rated basis.
 - 5.1.3 Provisional management employees, employed on January 1, are credited with 10 vacation days per year for their first two full years of employment, and 15 vacation days in their third year. In the first calendar year of provisional employment, vacation will be pro-rated for each month of service.

5.2 Vacation Usage

- 5.2.1 Employees are encouraged to submit vacation requests to Supervisors as far in advance as practicable. Some Business Units, Sites, or Departments may require the vacation request in writing. Supervisors will make every effort to accommodate requests, but must balance schedules and workloads in order to meet the department's needs.
- 5.2.2 New employees may use vacation time immediately with the approval of their supervisor
- 5.2.3 Employees may use vacation days in full or half-day increments. However, supervisors may allow employees to make up lost time through flexible scheduling by working extra hours on other days instead of using vacation time.
- 5.2.4 An employee on an approved FMLA leave (see EP 3.3) who wants to use accrued vacation or floating holiday time to cover any part of that leave must make a request to HR. Without notification, accrued vacation or floating holiday time will not be

automatically applied. The use of vacation or floating holiday time does not alter the status of the leave as FMLA leave, extend the FMLA leave, or extend any Authority provided job security periods.

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

5.3 Vacation Carryover

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

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

5.4 Pay in Lieu of Vacation

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

- a) When an employee resigns, provided the employee gives NYPA at least two weeks' written notice. Employees that resign without two weeks' notice will not be paid out for accrued vacation time.
- b) When an employee's services are terminated by NYPA.
- c) When an employee resigns, is terminated, or retires, the employee will receive payment for the current year's accumulated vacation on a pro-rated basis (1/12th

of yearly vacation days for each month of service). This will be added to any days that were carried over from the prior year, up to a maximum vacation payment of 40 days. If an employee has already used more than the equivalent of 1/12th of their yearly vacation days for each month of service, payments for those days must be repaid to NYPA (to the extent possible, payment will be withheld from the employee's final paycheck).

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

5.5 Vacation Cash Out Program

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

Retirement System as wages. Therefore, the value of the “cash out” will not be included in the calculation of an employee’s Final Average Salary.

5.6 Vacation Donation Program

Management employees who are on an approved medical leave are eligible to receive vacation leave that has been donated by other management employees.

5.6.1 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, salary continuation, long-term disability) is not eligible to receive donated vacation leave.

If an eligible employee exhausts his or her accumulated sick and vacation leave credits, the business 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 unit/department head should consider factors such as the employee's attendance record. The business 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 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).

5.6.2 Who May Donate

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

5.6.3 Donated Vacation information

An employee may donate vacation leave in increments of one day. A donating employee must be left with a remaining vacation leave balance of at least 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.

An employee who wishes to donate vacation leave must complete a Vacation Donation Form (Attachment 9.1) and send to their designated HR Representative. All requests will be reviewed by the Business Unit/Department Head with concurrence from the Human Resources Department Head or their designee.

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1** EP 1.9, Transfer or Re-Employment in Public Service
- 7.2** EP 3.1, Management Employee Categories and Eligibility for Benefits Policy
- 7.3** EP 4.2, Performance Improvement Policy
- 7.4** EP 3.9, Sick Leave Policy
- 7.5** Vacation Cash Out Request form

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Other Year

9 ATTACHMENTS

Attachment 9.1 Vacation Donation Form

ATTACHMENT 9.1: VACATION DONATION FORM

Vacation Donation Form – For Management Employees

To: WPO Payroll

Donor's Name (Please print)

Date

Department

Location

Extension

Number of vacation days to be donated

Donated To

Signature

Date

cc: Recipient

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/17/2016
Executive Owner	Saslow, Karina	5/17/2016
Content Owner	Verdesi, Brenda	5/17/2016

2016 Confidential Evaluation of NYPA Board Performance Summary

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

Date Completed: March 21 2017

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

March 21, 2017

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4d-9 Management Employee Categories and Eligibility for Benefits (EP 3.1) last revised 05/13/2016		
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4d-12 No Smoking (EP 4.7) last revised 03/18/2016		
4d-13 Recruitment and Job Posting (EP 1.2) last revised 05/13/2016		
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4d-19 Sick Leave Policy (EP 3.9) last revised 05/16/2016		
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Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, at approximately 8:30 a.m.

The following Members of the Governance Committee were present:

Trustee Anne M. Kress, Chair
Trustee Eugene L. Nicandri, Member
Trustee Anthony Picente, Jr., Member

John R. Koelmel - Excused
Anthony Picente, Jr. - Excused

Also in attendance were:

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Jaiah Gottor	Lead Network Analyst – Infrastructure
Glen Martinez	Senior Network Analyst – Infrastructure

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

Introduction

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

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

Upon motion made by Trustee Nicandri and seconded by Trustee McKibben, the Agenda for the meeting was adopted.

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

Madam Chair, I move that the committee conduct an executive session to discuss an ongoing investigation (pursuant to section 105c of New York Public Officers Law).

Upon motion made by Trustee McKibben and seconded by Trustee Nicandri, an Executive Session was held.

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

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

4. **CONSENT AGENDA:**

Upon motion made by Trustee McKibben and seconded by Trustee Nicandri, the Consent Agenda and Reports provided by staff 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 July 26, 2016 were approved.

b. Procurement and Related Reports

The Vice President of Procurement submitted the following report:

"SUMMARY

This report is to advise the Governance Committee of certain 2016 activities of the Procurement Division (rebranded Strategic Supply Management), including: procurement contract activity, disposal of personal property, Supplier Diversity Program activities and plant inventory statistics; as well as fossil fuels activities conducted by the Fuel Planning and Operations Group; and corporate finance activities conducted by the Treasury Group.

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

BACKGROUND

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

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

DISCUSSION

As more fully described in the individual reports attached hereto as Exhibits 4b-1 – 4b-6, the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater that were active in 2016, as identified by the Authority's SAP Enterprise Resource Planning ('ERP') system. The Disposal of Personal Property Report lists all personal property (including Fleet-related) disposal transactions over \$5,000 conducted during 2016. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises ('MWBES') as well as to Service-Disabled Veteran-Owned Businesses ('SDVOBs') based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Planning and Operations and Treasury work groups, respectively.

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Authority's Governance Committee reviews the Guidelines for Procurement Contracts and the Guidelines for the Disposal of Authority Personal Property annually, and approves any changes to such Guidelines. 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 29, 2016. The Governance Committee is requested to review the revisions to the respective Guidelines (as set forth in the redlined copies attached hereto as Exhibits 4b-7a and 4b-7b) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017.

FISCAL INFORMATION

There will be no financial impact on the Authority.

RECOMMENDATION

The Governance Committee is requested to review and approve the Procurement, Fossil Fuels and Corporate Finance Reports (attached hereto as Exhibits 4b-1 through 4b-6).

The Governance Committee is also requested to review the revised Guidelines (as set forth in the redlined copies attached hereto as Exhibits 4b-7a and 4b-7b) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017.”

c. Real Estate Reports

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

"SUMMARY

This report is to advise the Governance Committee of certain 2016 activities of the Real Estate Division regarding the acquisition and disposal of real property.

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

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President - Procurement and the Director - Real Estate are required to report to the Committee at all regularly scheduled meetings, and the Committee has the authority to require Real Estate staff to prepare additional reports and to produce documents for Committee review. Due to recent staff reorganization, the Real Estate Division now reports to the Vice President – Enterprise Shared Services. The position of Director – Real Estate has been replaced with the Manager Corporate Real Estate. The 2016 Real Estate reports are being submitted by the Vice President – Enterprise Shared Services.

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

DISCUSSION

The Report of the Acquisition and Disposal of Real Property for the period January through December 2016 is attached hereto as Exhibit 4c-1.

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ('PAAA'), as amended, the Authority's Governance Committee reviews the Guidelines and Procedures for the Disposal of Authority Real Property 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 29, 2016.

RECOMMENDATION

The Governance Committee is requested to review the revisions to the respective Guidelines (as set forth in the redlined copies attached hereto as Exhibits 4c-2 – 4c-3 and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017."

d. Annual Review and Approval of Certain Authority Policies

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

"SUMMARY

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

The Governance Committee is also requested to recommend that the Board of Trustees approve delegation 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 4d-1 through 4d-22 and respectively entitled:

- 4d-1 Attendance and Flexible Hours (EP 4.6); last revised 11/01/2016;
- 4d-2 Education Assistance Program (EP 3.6); last revised 05/13/2016
- 4d-3 Employee Assistance Program (EP 3.5); last revised 05/04/2016
- 4d-4 Employee Background Investigations (EP 1.10); last revised 04/25/2016
- 4d-5 Employee Personnel Records (EP 5.1); last revised 03/04/2016
- 4d-6 Family & Medical Leave Act (FMLA) (EP 3.3) last revised 05/16/2016
- 4d-7 Fitness for Duty (EP 4.5) last revised 05/13/2016
- 4d-8 Leaves of Absence (EP 3.4) last revised 05/13/2016
- 4d-9 Management Employee Categories and Eligibility for Benefits (EP 3.1) last revised 05/13/2016
- 4d-10 Management Non-Exempt and Facility-Based Exempt Overtime (EP 2.4) last revised 05/24/2016
- 4d-11 Management Salary Continuation (EP 3.10) last revised 05/16/2016
- 4d-12 No Smoking (EP 4.7) last revised 03/18/2016

- 4d-13 Recruitment and Job Posting (EP 1.2) last revised 05/13/2016
- 4d-14 Relocation Benefits for New and Transferred Employees (EP 3.8) last revised 05/04/2016
- 4d-15 Salary Administration (EP 2.1) last revised 05/20/2016
- 4d-16 Screening & Pre-Employment Selection for Bargaining Unit Positions at Operating Facilities (EP 1.4) last revised 05/13/2016
- 4d-17 Separation from Service (EP 1.6) last revised 05/13/2016
- 4d-18 Severance Policy (EP 1.7) last revised 04/01/2016
- 4d-19 Sick Leave Policy (EP 3.9) last revised 05/16/2016
- 4d-20 Termination Dispute Resolution (EP 4.3) last revised 03/31/2016
- 4d-21 Transfer or Re-Employment in Public Service (EP 1.9) last revised 05/04/2016

4d-22 Vacation (EP 3.2) last revised 05/17/2016

RECOMMENDATION

The Governance Committee is requested to review the revised policies (as set forth in the red-lined copies attached hereto as Exhibits 4d-1 thru 4d-22) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017.”

e. 2016 Annual Board of Directors Evaluation Pursuant to Sections 2800 and 2824 of the Public Authorities Law and Guidance of the Authorities Budget Office

The Chair of the Governance Committee submitted the following report:

SUMMARY

The Governance Committee is requested to recommend that the Board of Trustees approve the annual Board of Directors evaluation summary for 2016 and authorize the Corporate Secretary to submit the summary to the Governor, legislative leaders, the State Comptroller and the Authorities Budget Office ('ABO') pursuant to Section 2800 of the Public Authorities Law, as amended by the Public Authorities Accountability Act of 2005 ('PAAA'), within 90 days of the close of the Authority's fiscal year.

BACKGROUND

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

FISCAL INFORMATION

There is no anticipated fiscal impact.

RECOMMENDATION

The Governance Committee is requested to recommend that the Board of Trustees approve the annual Board of Directors evaluation summary for 2016 and authorize the Corporate Secretary to submit the summary to the Governor, legislative leaders, the State Comptroller and the Authorities Budget Office ('ABO') as required by Public Authorities Law Section 2800."

f. New York Power Authority's Ethics and Compliance Program

The Vice President and Chief Ethics & Compliance Officer submitted the following report:

"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 July 26, 2016 to March 21, 2017.

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 July 26, 2016 include various requests to engage in outside activities and employment and issues concerning conflicts of interest, post-employment analyses, policy reviews, a retaliation claim, gifts inquiries and appearance of impropriety questions related to unwarranted privilege scenarios.

DISCUSSION

Annual Review

The E & C Office reviewed 303 inquiries during calendar year 2016, up from 220 the prior year, a 37% increase in volume. There were 80 outside activities reviews, including 53 Paid Volunteer Time ('PVT') requests. Under the PVT Employee Policy, management employees may take up to two days of paid time off each year to volunteer their time to eligible charities and other established not-for-profit organizations. Many of these requests are for departmental groups to volunteer together on a project to foster teamwork to enhance productivity in the office.

In addition, the E & C Office investigated 15 allegations of wrongdoing and evaluated 51 outside employment requests, 28 post employment scenarios, 39 gifts reviews and 45 unwarranted privilege questions. These cases originated from all of NYPA's locations and included questions from individual contributors, managers, executives and members of the Board of Trustees. The increased volume can be attributed in part to the companywide training initiative undertaken in the 4th quarter of 2016, discussed in greater detail later in this report.

Selected Cases

The E&C Office was asked to opine on various unwarranted privilege situations during the recent reporting period. These "appearance of impropriety" issues are defined as the "use of or attempt to use one's official position to secure unwarranted privileges or exemptions for oneself or others." This provision of both the New York State Public Officers Law ('POL') and the NYPA Code of Conduct is the standard used to evaluate a variety of inquiries including conference/industry event attendance, NYPA sponsorships, group discussions or focus panels and testimonials for entities which have completed projects for or supplied products utilized by NYPA. Several inquiries are discussed below:

Several NYPA employees were asked to make presentations or participate in the General Electric ('GE') Mind and Machines conference focusing on the digital transformation of electric power and utilities. This conference took place shortly after NYPA announced its

partnership with GE in which GE will provide software to monitor, analyze and enhance the performance of NYPA's generating assets across the operations and transmission network. GE was selected for this opportunity through a competitive bidding process in accordance with NYPA's Procurement Guidelines. The E & C Office instructed the attendees that their presentations and interactions with the participants must be limited to a technical description of NYPA's engagement with GE focusing on the scope of work and anticipated deliverables. The employees were cautioned against making any representations or statements that could be construed as an endorsement of GE or its products or services. NYPA is the first U.S. power provider to engage in an enterprise-wide digital transformation agreement with GE. This ongoing endeavor offers both NYPA and GE an opportunity for positive press coverage, but leaves NYPA employees vulnerable to running afoul of the law if they inadvertently make statements that appear to be an endorsement of GE.

In another unwarranted privilege question, the E & C Office was asked whether or not NYPA could sponsor events, or a portion of events provided by professional organizations that employees have joined which are directly related to their NYPA employment. In one instance, a NYPA employee is a member of an industry-related organization which rotates its monthly meetings among the member organizations. NYPA was asked to sponsor one of these meetings which included providing meeting space and food for the attendees. The E & C Office approved this provision of services as it was determined to be directly related to NYPA's mission and the job duties of the member employees. In addition, the E & C Office shared this scenario with the NYS Joint Commission on Public Ethics ('JCOPE') for discussion during a JCOPE webex gifts symposium attended by various New York State agency and authority ethics officers. JCOPE agreed that NYPA could sponsor a rotating membership meeting and provide food to the attendees without violating the ethics gifts restrictions.

As an organization, NYPA has provided its support to and encouraged its employees to join external industry groups such as Women in Communications and Energy ('WICE'). NYPA has several senior executives on this organization's board, and the current president is a NYPA staff member. As in the example above, NYPA often hosts meetings and professional events for WICE, including facilities, event preparations and printing of organizational materials. NYPA employees make up approximately 30 percent of the WICE membership. The current president inquired whether NYPA could continue to provide its facility and support to the organization and also whether she could contact any NYPA vendors to participate as subject matter experts at WICE networking conferences. The E & C Office advised that the current president could contact certain NYPA vendors and solicit their expertise on behalf of WICE provided she did not interact with these vendors as part of her NYPA job responsibilities. Had the NYPA employee been in a position to deal directly with any of these external vendors in her official NYPA capacity, she would not have been able to pursue the vendors with which she had any official responsibilities. The E & C Office also agreed that participants could provide modest services to this organization including the set up and break down of meeting rooms and various other incidental services.

Given NYPA's commitment to WICE and the frequency of its engagement, the E & C Office recommended that NYPA include WICE as a designated membership organization in the Business Contributions Company Policy. This approach will formalize NYPA's business relationship and provide a process for evaluating and approving future WICE sponsorship requests in a consistent, efficient and transparent manner. This review will help to mitigate any legal or 'appearance of impropriety' issues before they occur.

NYPA's Energy Manager Department has entered into a partnering program with SUNY Albany's Business School which will allow MBA students in their last semester to work with a host organization for an intense two week period during which they will address a business problem to obtain significant energy sustainability savings and find practical solutions. NYPA intends to undertake this initiative in the late April/early May time frame. The initiative will have four to six MBA candidates on the team and are anticipated to invest between 800-1000 total hours on the project. NYPA intends to have the students work on an initiative focusing on student dorms at

colleges and universities. NYPA currently has over 100 large dormitories participating in the NY Energy Manager program. These types of facilities have proven difficult to target for savings in the traditional engineering-based solutions typical of many NYPA customers. It is believed that a student led initiative will be more successful in this environment. The program has generated over \$100k in savings in the past and both the New York State Energy Research and Development Agency ('NYSERDA') and National Grid are regular participants in the program.

Requests to review outside employment and activities included town council, city planning and school board positions, school athletic coaches, several appointed positions on local political committees and individual businesses including web site design, wood working, residential and light commercial construction and welding services. All requests were approved with ethics guidelines for engaging in these outside activities. Copies of the agreed upon guidelines are provided to the requesting employee, the direct supervisor and site Human Resources personnel if the individual reports to an operations or transmission site.

Internal Collaboration

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

To further enhance our working relationship and offer subject matter expertise, the E & C Office's Senior Compliance Officer participated in the Internal Audit Department Guest Auditor Program and participated in the Finance & Administration audit at the Clark Energy Center. The partnership was a success as the Senior Compliance Officer conducted field work and assisted with the preparation of the audit findings and recommendations, while lending her objectivity and subject matter expertise to the Internal Audit team.

The E & C Office is actively engaged with Internal Audit, Enterprise Risk, the Internal Controls group and other risk management units to identify and map risk reporting procedures and a common taxonomy for members of the Risk Alignment & Controls Committee ('RACC'). This exercise will result in a common enterprise Governance, Risk and Compliance ('eGRC') framework and the acquisition of an electronic eGRC tool to consolidate the risk and internal controls catalogues to better track and report risks and mitigation plans through a comprehensive tool. We are seeking to incorporate ethical commitment and decision-making into this framework and taxonomy as people and their actions influence risk across all levels of the organization.

As previously reported in the July report to the Governance Committee, the E & C Office developed a tool to assist the Human Resources recruiters explain various ethics requirements to prospective new hires so that these new employees are fully aware of the legal requirements and expectations of government employees. This tool was provided to all Human Resources recruiters across the organization and is currently in use. It is expected that communicating information during the recruitment process about outside employment approvals, conflicts of interest, the 'reverse two year bar,' securities ownership and post-employment restrictions will reduce the likelihood of adverse ethics issues occurring after employees have joined the NYPA workforce.

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

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

Training and Outreach

The Public Integrity Reform Act of 2011 ('PIRA') requires the presentation of an initial Comprehensive Ethics Training Course ('CETC') to JCOPE Financial Disclosure Program participants and refresher training of those employees who have already completed the CETC every three years thereafter. The original CETC training occurred in 2013, thus triggering the need for follow up training in 2016. The E & C Office provided live training in the White Plains Office and each of its operating facilities during the 4th quarter of 2016. In all, 687 employees received the CETC. NYPA certified its trainee list as required by law on January 31, 2017.

In February 2017, JCOPE offered train-the-trainer sessions for agency ethics officers to deliver the newly developed Refresher training course which satisfies the requirement for periodic follow-up training after employees have completed the initial CETC mandated training. Both Joseph Gryzlo and Louise Nestler are now certified to provide this 90 minute refresher training going forward. They will continue to provide required training to newly hired employees and current employees as they become participants in the Financial Disclosure program.

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

Financial Disclosure

Mandatory Financial Disclosure certifications were submitted to JCOPE by the statutory deadline of February 28, 2017. In addition to certifying the NYPA and Canals Corporation participants' information, the E & C Office facilitated the designation that members of the Western New York Power Proceeds Allocation Board, the newly constituted Northern New York Power Proceeds Allocation Board, the Economic Development Power Allocations Board and the Canals Recreation-way Commission are all subject to Financial Disclosure requirement. Each of these entities' members are designated policy makers and will be required to submit Financial Disclosure forms annually and participate in any required training.

NYPA reported 913 employees in the Financial Disclosure program. Of those, there were 185 designated policy makers, 463 statutory threshold filers and 265 employees serving in title exempt positions or having received individual exemptions.

The E & C Office continues to provide on-going guidance and information to participants in the Financial Disclosure program. JCOPE's transition to a new electronic filing system has required our office to secure administrative rights through the Governor's Office of Employee Relations and its Information Technology bureau to establish accounts for new participants through the NY.gov web portal. We expect that the upcoming May 2017 filing will have fewer technical issues as JCOPE has had the opportunity to address outstanding concerns during this inaugural year using the new filing system. Employees will receive internal notification regarding filing requirements and deadlines via e-mail in late March, followed by official notification from JCOPE in early April. Filings are due on May 15, 2017.

NYS Canal Corporation

The E & C Office communicated with staff from the NYS Canals Corporation and NYS Thruway Authority to ensure a successful transition for the January 1, 2107 operational take-over of the NYS Canal Corporation. Discussions included the status of open investigations and expectations for their closure prior to integration, staff training compliance, the Canal Corporation's Whistleblower Hotline, the above mentioned annual ethics training and other mandatory ethics reports' completion and filing with JCOPE.

NYPA's E & C Office will provide direct oversight of the ethics function and coordination of investigations for the Canal Corporation. The transitional service agreement allows for consultation with Thruway staff for historical guidance and ongoing collaboration. A complete discussion of Canals related topics will be provided in a report the Governance Committee of the NYS Canals Corporation.

RELIABILITY STANDARDS COMPLIANCE

SUMMARY

This report highlights important aspects of NYPA's NERC Reliability Standards compliance management program for the period July 26, 2016 to March 21, 2017. 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, there were two (2) new possible violations of the NERC Reliability Standards reported to the Northeast Power Coordinating Council ('NPCC').

1. VAR-002 - Generator Operation for Maintaining Network Voltage Schedule: A generating unit was placed online with its automatic voltage regulator ('AVR') enabled but not its power system stabilizer ('PSS') for about a 9.5 hour period. As required by the reliability standard, NYPA, as a Generator Operator, did not notify the NYISO, its Transmission Operator, of the status change of its PSS within 30 minutes.
2. CIP-014 - Physical Security: During the implementation of this standard, NYPA, as a Transmission Owner, did not properly identify its 'primary control centers' as defined in this specific reliability standard. Additionally, NYPA did not identify all of its substations that were planned to be in-service within the 24-month period from the date of the initial risk assessment (i.e. Fraser Annex and Dolson Avenue were not included in the initial risk assessment).

These possible violations were determined to be of minimal impact to the Bulk Electric System ('BES'). As such, RSC self-reported these to NPCC under the self-logging process. If NPCC concurs with the assessment, then there will be no monetary penalty.

On July 28, 2016 the Northeast Power Coordinating Council ('NPCC'), under the Notice of Compliance Exception program, determined that NYPA's self-reported potential violation for CIP-007-3 – Systems Security Management posed minimal risk to the reliability of the BES and was appropriately mitigated by NYPA. As such, NPCC notified NYPA that the matter is closed. This incident was investigated internally pursuant to NYPA's Potential Violation Concern procedures.

Investigations of Possible Violations

During the reporting period, Technical Compliance initiated thirteen (13) investigations of possible violations of the NERC Reliability Standards. Eight (8) are active investigations, with preliminary determinations of possible violations that pose minimal risk to the reliability of the Bulk Electric System; these possible violations will be processed under the self-logging process. Two (2) possible violations were reported to the Northeast Power Coordinating Council (NPCC) in December 2016 under the self-logging process. The remaining three (3) investigations resulted in a determination of no possible violations. This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Risk-Based Evidence Management Program

Effective in late 2015, NPCC revamped the self-certification process to a risk-based model. The new process is referred to as the Guided Self-Certification program. This program is being administered to entities in the NPCC region in lieu of the previous annual self-certification program. In response, Technical Compliance has implemented a Risk-Based Evidence Management Program for identifying areas of risk and appropriate frequency for compliance evidence updates and evaluation for the NERC Reliability Standards applicable to NYPA. This process ensures that NYPA's compliance program is in-line with NERC's risk-based Compliance Monitoring and Enforcement Program and the NPCC guided self-certification process. In 2016, Technical Compliance identified fifty-five (55) NERC Reliability Standards whose evidence was to be reviewed and updated in 2016. Technical Compliance conducted compliance evidence reviews of fifty (50) NERC Reliability Standards. The remaining five (5) will be carried over to 2017. In 2017, Technical Compliance has identified forty-three (43) NERC Reliability Standards whose evidence will be reviewed and updated.

Guided Self-Certification of Compliance

During the reporting period, NYPA was required to and did self-certify compliance for CIP-002-5.1 – Bulk Electric System Cyber System Categorization on July 15, 2016 and PRC-006-NPCC R4 and R7 – Automatic Under-frequency Load Shedding on September 20, 2016 for the Transmission Owner registration. Technical Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self-certifies compliance with NPCC.

NERC Risk-Based Compliance Monitoring and Enforcement Program

As part of its Risk-Based Compliance Monitoring and Enforcement Program, NPCC completed its evaluation of NYPA's NERC Compliance Risk-Based Program. This evaluation, which was led by Technical Compliance, included an Inherent Risk Assessment (IRA) and Internal Control Evaluation ('ICE'). This process required the development of new governance documents, including internal controls process flow diagrams for specific Reliability Standards.

The initial NYPA IRA was developed in July 2015 and its corresponding ICE was completed in early 2017, after NPCC conducted an onsite internal control evaluation on October 18 and 19. In its ICE report, NPCC concluded that due to NYPA's robust NERC compliance internal controls, NPCC will significantly reduce the number of O&P Reliability Standards that are subject to the standard active monitoring method. Subsequent to NPCC issuing its ICE report, NPCC issued an updated IRA on January 24, 2017. As such, it is anticipated that NPCC will perform an additional ICE in 2017. This demonstrates the this process is dynamic and will require Technical Compliance to work continuously with Compliance Evidence Managers and subject matter experts to keep NYPA's NERC Compliance Risk-Based Program up-to-date.

Bulk Electric System (BES) Definition

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

NYPA has successfully executed various agreements with other NY Transmission Owners and the New York State Independent System Operator ('NYISO') to minimize the impact of the BES definition. With these agreements, NYPA has avoided substantive non-recurring and recurring work to manage compliance with what could have been over 500 requirements under the Transmission Operator and Transmission Planner registrations.

During the reporting period, the Plattsburgh 115kV capacitor banks 5 and 6 BES exclusion exception request was approved by NERC on September 9, 2016. As a result, these capacitors are not considered to be BES elements. Additionally, NYPA and Alcoa representatives met with NPCC and NERC to discuss the Moses-Alcoa ('MAL') 115kV transmission lines exclusion exception request from the BES definition.

The exclusion exception request for the MAL transmission lines is still in process. In the interim, a tolling agreement between Alcoa, NERC, NYPA, and NPCC was extended until July 1, 2017 in order to allow the parties additional time to seek resolution of issues relating to the exception request these transmission lines. A NERC-led review panel met on January 10, 2017 to evaluate the exception request and determined that additional information is required prior to issuing a decision.

Critical Infrastructure Protection Standards - Version 5 (CIP V5)

During the reporting period, NYPA successfully completed the transition from a CIP Version 3 program to a CIP Version 5 program that satisfies the requirements set forth by these Reliability Standards prior to the July 1, 2016 enforcement date for High and Medium Impact BES Cyber System Assets.

With this accomplishment, Technical Compliance and Compliance Evidence Managers have shifted its focus towards integrating Low Impact BES Cyber Systems into the CIP Version 5 Program prior to the April 1, 2017 enforcement date. Technical Compliance is managing this integration to include SENY and upstate Low Impact facilities and cyber system assets into the CIP compliance program. In addition, Technical Compliance is also managing the transition to address new CIP Version 6 requirements as it relates to transient device/removable media and non-programmable cabling and cyber system assets associated with Electronic Security Perimeters.

NYPA with Technical Compliance leading the effort continue to engage Con Edison's compliance and security staff regarding the NERC CIP V5 / V6 Reliability Standards compliance requirements associated with the NYPA's Astoria Annex, Sprainbrook and North Transition substations. Con Edison has agreed to apply its CIP V5 / V6 processes to NYPA's cyber systems/assets in these substations. Discussions and meetings are in progress to confirm details regarding the implementation of Con Edison processes on these assets. The agreement is anticipated to be revised and executed by end of 2016. Similarly, NYPA is also engaging LIPA / PSEG to modify the existing agreement for NYPA's East Garden City and South Transition substations as it relates to NERC CIP V5 / V6 Reliability Standards compliance requirements. This agreement is also anticipated to be revised and executed by end of 2016.

Technical Compliance is confident that these compliance responsibility matrices and the required compliance actions required for Low Impact BES Cyber Systems and CIP V6 will be met prior to the April 1, 2017 compliance deadline.

Critical Infrastructure Protection (CIP) and Operations & Planning (O&P) Audit Preparation

NYPA is scheduled for an offsite O&P audit in late Q1 2017 and an onsite CIP audit in early December 2017.

For the O&P audit, NYPA received its audit notification on January 27. As such, Technical Compliance, with the support of Navigant Consulting Inc., is working with various Compliance Evidence Managers and subject matter experts in concluding the audit readiness efforts in order to meet the March 27 deadline for evidence submission to NPCC. This audit is expected to be concluded by April 27.

For the CIP audit, audit readiness efforts are on-going as Technical Compliance, continues to work with various Compliance Evidence Managers and subject matter experts. As part of the audit readiness work plan, compliance assessments have taken place in Q4 2016 and will continue up until 2Q 2017. The key objective of these compliance assessments is to benchmark evidence and processes and identify areas that need improvement. The CIP audit will cover the full aspects of the current CIP Reliability Standards, thus, compliance readiness efforts are imperative and should be completed prior to October 2017.

Physical Security Standard

As a result of 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-014-2 – Physical Security) which was approved by FERC on November 20, 2014 and became effective October 1, 2015.

As of December 15, 2016, NYPA successfully implemented the compliance requirements for this Reliability Standard. As a result of the required technical and physical security assessments, NYPA has eighteen (18) Transmission Facilities that meet the applicable criteria. Four (4) of these Transmission Facilities are substations that if inoperable or damaged as a result of a physical attack could result into a cascading event. Thus, these substations require specific physical security plans that are designed to deter, detect, delay, assess, communicate, and respond to potential physical threats and vulnerabilities. Additionally, NYPA has three (3) primary control centers that require physical security plans.”

5. **Next Meeting**

Chairperson Kress said the next regular meeting of the Governance Committee is to be held on Tuesday, July 25, 2017 at a time to be determined.

Closing

Upon motion made and seconded, the meeting was adjourned by the Chair of the Committee at approximately 8:49 a.m.

Karen Delince

Karen Delince
Corporate Secretary

March 29, 2017

EXHIBITS

For

March 29, 2017

Governance Committee

Meeting Minutes

PROCUREMENT CONTRACTS SUMMARY

January – December 2016

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 through December 31, 2016. These contracts have been active during 2016 and are \$5,000 or greater in value. There are 2,376 such contracts with a total estimated value of more than \$4 billion not including fossil fuel or corporate finance expenditures covered in Sections 2b-5 and 2b-6 of this report. Total expenditures in 2016 have exceeded \$493 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:

- 9% of these contracts are for Construction Services;
- 46% are for the purchase of Equipment and Commodities;
- 3% are for Architectural, Engineering Services and Legal;
- 15% are for Personal Service contracts such as professional consulting services;
- 27% are for Non-Personal Service contracts such as maintenance, technicians, contracted personnel and repairs.

Based on the total value of the contracts included in this summary (\$4 billion), approximately 99% of contracts (with a total contract value of approximately \$3.9 billion), were competitively bid. In 2016, approximately 1% of contracts (with a total contract value of approximately \$55 million), were sole/single-source awards, which included over \$2.5 million in Minority- and Women-owned Business Enterprises (MWBs), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

DISPOSAL OF PERSONAL PROPERTY **January – December 2016**

2016 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 in excess of \$5,000 in value that was 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 (rebranded Strategic Supply Management) is required to report to the Committee at all regularly scheduled meetings. To that end, the 2016 Annual Report of Disposal of Personal Property over \$5,000 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 2016 Annual Report of Disposal of Personal Property for review and approval by the full Board of Trustees at their March 21, 2017 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 2016 Public Authorities Reporting Information System (“PARIS”) Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2017.

FACILITIES and WPO – Third and Fourth Quarter 2016 Activity

During the reporting period, there were five (5) Personal Property Disposal transactions over \$5,000 in value, as further set forth on page 1 of the attached Report. Of this number, two competitively bid transactions were for the sale of scrap metals at the St. Lawrence/FDR Project, resulting in payment to the Authority of \$35,601.00; one competitively bid transaction was for the sale of used generator parts at the Richard M. Flynn Project, resulting in payment to the Authority of \$9,757.00; one competitively bid transaction was for the sale of scrap metals at the Blenheim-Gilboa Project, resulting in payment to the Authority of \$11,300.00; and one transaction was for the sale of Allen Bradley displays, conducted on behalf of the St. Lawrence/FDR Project by the New York State Office of General Services via an Ebay sale, resulting in payment to the Authority of \$10,349.90 after fees were deducted. The “Sale Price” (Gross) for these five transactions was \$67,258.00; the “Price Received by the Authority” (Net) was **\$67,007.90**.

The Authority also realized an additional **\$63,290.00** for the waiver of storage fees in consideration of transferring the WPO fuel cell spare parts to Doosan. As a result, the combined Third and Fourth Quarter total “Price Received by the Authority” (Net) was **\$130,297.90**.

FACILITIES and WPO – 2016 Annual Summary and Subtotal

During the First and Second Quarters, there were no reportable Personal Property Disposal transactions over \$5,000 in value conducted by or on behalf of the Facilities or the White Plains Office. Therefore, the **2016 Annual Total “Price Received by the Authority” for the five (5) above-referenced Personal Property Disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) at the Facilities and WPO, as well as for the waiver of fuel cell spare part storage fees, was \$130,297.90**.

FLEET – Third and Fourth Quarter 2016 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 JJ Kane Auctioneers (of Maple Shade, NJ) on December 10, 2016 at the National Grid auction facility in Rome, NY. Such auction, which consisted of both a physical presence as well as an online component, resulted in the sale of a total of 44 units or lots comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 16 disposal transactions with a Sale Price over \$5,000, which are listed on pages 2-4 of the attached Report. The auction "Sale Price" (Gross) as well as the "Price Received by the Authority" (Net) for these 16 units or lots was \$326,000, (since no transportation and other fees were charged by JJ Kane.)

Additionally, one Fleet-related transaction resulting from an online only auction was conducted by Auctions International on behalf of the Authority, for the sale of a 1999 John Deere tractor, resulting in payment to the Authority of \$6,450.00, for a combined Third and Fourth Quarter total "Price Received by the Authority" (Net) of **\$332,450**.

FLEET – 2016 Annual Summary and Subtotal

In addition to the aforementioned Third and Fourth Quarter activity, 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 June 25, 2016 at L&L Storage in Utica, NY. Such auction, which consisted of both a physical presence as well as an online component, resulted in the sale of a total of 75 units or lots comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 34 disposal transactions with a Sale Price over \$5,000, which are listed on pages 2-4 of the attached Report. The auction "Sale Price" (Gross) for these 34 units or lots was \$446,700.00, which resulted in a "Price Received by the Authority" (Net) of **\$441,519.00** after transportation and other costs were deducted.

The Authority also received one Fleet-related Trade-in credit for a Pisten Bully Scout ATV, in the amount of \$110,000.00, which was applied toward the purchase of another vehicle, as further set forth on page 4 of the attached Report. The Trade-in value (reported as both "Sale Price" and "Price Received by the Authority") was **\$110,000.00**.

In summary, the **2016 Annual Fleet Total "Price Received by the Authority" was \$883,969.00 (comprising \$773,969.00 for the 51 Fleet-related transactions over \$5,000, plus \$110,000 for the trade-in credit).**

Grand Total as of 12/31/16

As summarized on page 4 of the attached Report, the **2016 Annual Grand Total "Price Received by the Authority" (Net Amount)** for all Personal Property in excess of \$5,000 was **\$1,014,266.90** [Sale Price (Gross) \$1,019,848.00 less \$5,581.10 (transportation and other costs or fees, where applicable)]. (It should be noted that an additional \$148,500.00 was received for the sale of 70 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

2016 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	FEEs	PRICE RECEIVED * by the Authority
USED GENERATOR PARTS AT FLYNN PROJECT	POWER CHEM EQUIPMENT	\$ 9,757.00	---	\$ 9,757.00
SCRAP METALS AT STL PROJECT	EMPIRE RECYCLING CORP	\$ 29,301.00	---	\$ 29,301.00
ALLEN BRADLEY DISPLAYS AT STL PROJECT	SURPLUS RECYCLING INC	\$ 10,600.00	\$250.10	\$ 10,349.90
SCRAP METALS AT STL PROJECT	EMPIRE RECYCLING CORP	\$ 6,300.00	---	\$ 6,300.00
SCRAP METALS AT B-G PROJECT	MILLENNIUM DEMO- LITION	\$ 11,300.00	---	\$ 11,300.00
FUEL CELL SPARE PARTS; EXCHANGED FOR WAIVER OF STORAGE FEES	DOOSAN FUEL CELL AMERICA INC	\$ 63,290.00	---	\$ 63,290.00
	SUBTOTAL:	\$ 130,548.00	\$250.10	\$ 130,297.90

*Sale Price less fees (for NYS OGS Ebay sale)

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 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
1990 GROVE MZ90 MANLIFT	RAULLI AND SONS INC	\$ 8,750.00	---	\$ 8,750.00
1999 JOHN DEERE TRACTOR	JAMES FEELY	\$ 6,600.00	\$ 150.00	\$ 6,450.00
2002 NEW HOLLAND LS170 LOADER	ANTHONY DINITTO	\$ 13,400.00	\$ 150.00	\$ 13,250.00
2003 BOBCAT 334D EXCAVATOR	MICHAEL J COE	\$ 17,000.00	---	\$ 17,000.00
2003 GRADALL TELEHANDLER	NORTHEAST HEAVY EQUIP PARTS INC	\$ 29,750.00	\$ 160.00	\$ 29,590.00
2004 BOBCAT TELEHANDLER	PAUL MCDUGAL	\$ 15,000.00	\$ 160.00	\$ 14,840.00
2004 CATERPILLAR BACKHOE	MOHAWK INDUSTRIAL WERKS LLC	\$ 23,500.00	\$ 160.00	\$ 23,340.00
2004 NEW HOLLAND TL90 TRACTOR	GEORGE LUNSHOF EQUIPMENT INC	\$ 35,000.00	---	\$ 35,000.00
2004 NEW HOLLAND TL90 TRACTOR	PAUL MASSEY	\$ 16,000.00	\$ 160.00	\$ 15,840.00
2004 STERLING LT9 DUMP TRUCK	BUDDIE ALLEN	\$ 39,000.00	---	\$ 39,000.00
2004 VOLVO VHD64BT TRACTOR	CASSONE TRUCK AND EQUIP SALES INC	\$ 27,500.00	---	\$ 27,500.00
2005 BOBCAT T250 SKID-STEER	KENNETH LUGIBIHL	\$ 21,000.00	---	\$ 21,000.00
2005 CATERPILLAR 226B LOADER	TIMOTHY CRAFT	\$ 16,500.00	---	\$ 16,500.00
2005 CHEVY K2500 PICKUP	NORMAN HABIB	\$ 13,900.00	\$ 140.00	\$ 13,760.00
2005 EAGER BEAVER TRAILER	HOWE DOES IT	\$ 17,000.00	\$ 160.00	\$ 16,840.00
2005 INTERNATIONAL 7400SFA	CHEMAY EQUIPMENT INC	\$ 30,000.00	---	\$ 30,000.00
2005 PISTEN BULLY ATV	DANIEL BLANCHET	\$ 19,000.00	\$ 160.00	\$ 18,840.00
2006 CATERPILLAR D5G XL DOZER	O'CONNELL ELECTRIC COMPANY INC	\$ 65,000.00	---	\$ 65,000.00
2006 CATERPILLAR IT38G LOADER	L & L SURPLUS OF UTICA INC	\$ 54,500.00	\$ 411.00	\$ 54,089.00
2007 CATERPILLAR IT38G LOADER	RLO LLC	\$ 44,500.00	\$ 200.00	\$ 44,300.00
2007 CHEVY TAHOE	THE CAR STORE INC	\$ 11,000.00	\$ 140.00	\$ 10,860.00
2007 POLARIS RANGER ATV	NORTHEAST HEAVY EQUIP PARTS INC	\$ 5,200.00	\$ 100.00	\$ 5,100.00

* Sale Price less transportation and other costs, as applicable

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 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 TOYOTA HIGHLANDER	ALBANY EXCHANGE INC	\$ 9,300.00	\$ 140.00	\$ 9,160.00
2008 CHEVY AVALANCHE	BRAVO AUTO SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2008 FORD CARGO VAN	ALBANY EXCHANGE INC	\$ 9,100.00	\$ 140.00	\$ 8,960.00
2008 FORD ESCAPE	SENECALS	\$ 6,100.00	\$ 140.00	\$ 5,960.00
2008 FORD ESCAPE	SENECALS	\$ 6,400.00	\$ 140.00	\$ 6,260.00
2008 FORD F250 PICKUP	PAUL MASSEY	\$ 9,000.00	\$ 140.00	\$ 8,860.00
2008 FORD F250 PICKUP	PAUL MASSEY	\$ 12,200.00	\$ 140.00	\$ 12,060.00
2008 FORD F350 PICKUP	JOHN VIRAG	\$ 9,400.00	\$ 140.00	\$ 9,260.00
2008 FORD F350 UTILITY TRUCK	SYRACUSE SIGNAL SYSTEMS INC	\$ 12,500.00	---	\$ 12,500.00
2008 FORD F550 UTILITY TRUCK	ACE EQUIPMENT NORTH	\$ 12,000.00	---	\$ 12,000.00
2009 DODGE DURANGO	S & M EQUIPMENT LEASING	\$ 5,250.00	\$ 140.00	\$ 5,110.00
2009 DODGE DURANGO	CATHERINE L OLAH	\$ 5,500.00	---	\$ 5,500.00
2010 CHEVY SUBURBAN	THE CAR STORE INC	\$ 11,750.00	\$ 140.00	\$ 11,610.00
2010 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2010 CHEVY TAHOE	TIVERTON MOTOR SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2010 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 7,500.00	\$ 140.00	\$ 7,360.00
2010 CHEVY TAHOE	THE CAR STORE INC	\$ 8,400.00	\$ 140.00	\$ 8,260.00
2010 FORD ESCAPE	ALBANY EXCHANGE INC	\$ 9,000.00	\$ 140.00	\$ 8,860.00
2011 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 7,500.00	\$ 140.00	\$ 7,360.00
2011 CHEVY TAHOE	COTRUPE AUTO SALES	\$ 6,750.00	\$ 140.00	\$ 6,610.00
2011 CHEVY TAHOE	JOHN VIRAG	\$ 6,700.00	\$ 140.00	\$ 6,560.00
2011 CHEVY TAHOE	KAMMAR RESTAURANT EQUIPMENT	\$ 8,000.00	\$ 140.00	\$ 7,860.00

* Sale Price less transportation and other costs, as applicable

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 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
2011 FORD F250 PICKUP	CLIMBING BINES HOP FARM LLC	\$ 12,000.00	\$ 140.00	\$ 11,860.00
2011 FORD F250 PICKUP	JJ KANE AUCTIONEERS	\$ 14,500.00	---	\$ 14,500.00
2012 CHEVY TAHOE	BRAVO AUTO SALES INC	\$ 8,250.00	\$ 140.00	\$ 8,110.00
2012 CHEVY TAHOE	LENORE V JAQUIN	\$ 7,750.00	---	\$ 7,750.00
2012 FORD ESCAPE	BRAVO AUTO SALES INC	\$ 6,600.00	\$ 140.00	\$ 6,460.00
2012 FORD ESCAPE	SEAMON FARM	\$ 6,250.00	---	\$ 6,250.00
2013 CHEVY TAHOE	JJ KANE AUCTIONEERS	\$ 7,750.00	---	\$ 7,750.00
TRADE-IN CREDIT FOR 2014 PISTEN BULLY SCOUT ATV	MOHAWK INDUSTRIAL WERKS LLC	\$ 110,000.00	---	\$ 110,000.00
FLEET SUBTOTAL:		\$ 889,300.00	\$ 5,331.00	\$ 883,969.00
+ SUBTOTAL Page 1:		<u>\$ 130,548.00</u>	<u>\$ 250.10</u>	<u>\$ 130,297.90</u>
GRAND TOTAL:		<u>\$1,019,848.00</u>	\$ 5,581.10	<u>\$1,014,266.90</u>

* Sale Price less transportation and other costs, as applicable

SUPPLIER DIVERSITY PROGRAM (SDP)
January – December 2016

From January through December 2016, the Authority expended \$51.9 million or 19.41% of its reportable expenditures with New York State-certified Minority and Women-Owned Business Enterprises (MWBEs). In the quarter ending December 31, 2016, the Authority expended \$12.9 million or 16.6% of its reportable expenditures to MWBEs. This includes direct contracts and subcontracts, as well as construction and energy efficiency-related work. It should also be noted that during calendar year 2016, Treasury's transactions with NYS-certified MWBE financial dealers exceeded \$240.8 million or 28.4% in principal sales and purchases for the Authority.

From January through December 2016, the Authority awarded \$1.2 million to Service-Disabled Veteran-Owned Businesses (SDVOBs), with over \$618,000 during the Fourth quarter. Transactions with NYS-certified SDVOB financial dealers exceeded \$176 million or 20.8% in principal sales and purchases for the Authority. The Authority continues to be recognized by the Office of General services as one of the leading agencies in this area.

The Authority works diligently with Empire State Development and the Office of General Services to meet their respective legislative requirements.

On January 9, 2017, New York Governor Andrew Cuomo signed Executive Order 162 requiring state agencies and authorities to include a provision in state contracts requiring contractors to agree to include detailed workforce utilization reports. It will apply to all State contracts, agreements, and procurements issued and executed on or after June 1, 2017. Contractors and subcontractors will be required to report the information on a quarterly basis for all prime contracts with a value in excess of \$25,000 except for prime construction contractors having a value in excess of \$100,000, who shall report on a monthly basis.

The Supplier Diversity Team is engaged with the Canal Corporation and will work to maximize procurement opportunities with the NYS-certified MWBE, SDVOB and SBE communities in support of our supplier diversity programs. The Canal Corporation is subject to the same legislative requirements regarding MWBE and SDVOB utilization as the Authority. The goods and services sought in support of the Canal operations remain as challenging from an MWBE perspective as that of the energy industry. However, the Authority, to the extent possible will continue its best effort to support the diverse communities we serve.

INVENTORY STATISTICS
January - December 2016

Facility	2016	2015
Niagara	17,980,724 ¹	20,389,843
St. Lawrence	14,353,129 ²	12,273,884
Blenheim-Gilboa	8,857,407	8,629,964
Clark Energy Center	6,420,115	5,630,072
Poletti Project	9,152,218	8,126,820
Flynn Project	7,090,659 ³	14,288,459
500 MW Project	25,996,369	25,396,804
Total Stock Value	\$ 89,850,621	\$ 94,735,846

¹ Includes \$2.0 million reduction for NIA Dual Voltage Transformer installed in RM Unit 5 to replace the fire damaged transformer.

² Includes \$1.4 million for STL net purchases of:
\$800K for Headgate Motor Control Panels
\$178K for 765KV Disconnect Switches & Lattice Structure Supports
\$213K for Potent Transformers
\$172K for Reinhausen Transducer
\$200K for Lubron Bushings

³ Includes \$6.6 million reduction for materials issued to support Flynn's 2015 major outage:
\$1.3 million for Turbine Inner Casing Replacement, and
\$5.2 million for Turbine Blades and Vanes

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

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 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \n C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1	9	N	N		\$14,770,293	\$14,770,293	\$629,070	\$0	4/1/1994		3/31/2019	
FD-1990-34	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1	9	N	N		\$4,507,832	\$4,507,832	\$147,546	\$0	10/1/1993		3/31/2019	
FD-2002-11	PSEG EnergyResourcesTrade 80 Park Plaza Floor T-19 Newark NJ 07102	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$11,017,721	\$11,017,721	\$0	\$0	11/1/2002		*	
FD-2003-09	J. Aron and Company 85 Broad Street New York NY 10004	NAESB Agreement for Natural Gas	E	B	9	N	N	32	\$83,241,402	\$83,241,402	\$0	\$0	4/22/2003		*	
FD-2003-10	BP Energy Company 201 Helios Way Houston TX 77079	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$209,239,992	\$209,239,992	\$2,597,035	\$0	10/1/2004		*	
FD-2003-12	Exelon Generation Company, LLC 100 Constellation Way Baltimore MD 21202	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$55,860,651	\$55,860,651	\$0	\$0	6/9/2003		*	
FD-2003-14	Colonial Energy Inc. 3975 Fair Ridge Drive Fairfax VA 22033	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$507,151,410	\$507,151,410	\$8,837,102	\$0	7/1/2003		*	
FD-2003-15	Virginia Power Energy Mktg P.O. Box 25773 Richmond VA 23260	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$629,265,426	\$629,265,426	\$0	\$0	7/11/2003		*	
FD-2004-08	Shell Energy North America (US), L.P. 1000 Main Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$78,054,511	\$78,054,511	\$497,287	\$0	4/1/2004		*	
FD-2005-12	NJR Energy Services Co 1415 Wyckoff Road Wall NJ 07719	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$423,869,223	\$423,869,223	\$13,410,065	\$0	9/1/2005		*	
FD-2006-09	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1	9	F	N		\$16,257,514	\$16,257,514	\$1,559,230	\$0	8/4/2006		4/1/2017	
FD-2007-10	Eastern Generation, LLC 18-01 20th Avenue Astoria NY 11105	Oil Delivery Labor Fees	E	1	9	N	N		\$60,771	\$60,771	\$0	\$0	7/1/2006		*	
FD-2008-05	Sequent Energy Mgmt LP 1200 Smith Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$36,565,826	\$36,565,826	\$7,820	\$0	3/1/2008		*	
FD-2008-06	Macquarie Energy LLC 500 Dallas Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$47,096,447	\$47,096,447	\$0	\$0	7/1/2008		*	
FD-2008-09	Con Edison 4 Irving Place New York NY 10003	LDC Agreement	E	1	9	N	N		\$26,276,654	\$26,276,654	-\$64,938	\$0	8/1/2008		6/30/2019	
FD-2008-10	United Energy Trading, LLC 215 Union Boulevard Lakewood CO 80228	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$158,345,320	\$158,345,320	\$29,000	\$0	11/19/2008		*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	O P A	M O B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \n C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2009-07	Conoco Phillips Company 600 North Dairy Ashford Houston TX 77079	NAESB Agreement for Natural Gas	E	1	9	F	N	32	\$38,175,979	\$38,175,979	\$5,806,470	\$0	5/1/2009		*	
FD-2009-08	NextEra Energy Power Marketing, LLC 700 Universe Blvd Juno Beach FL 33408	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$2,665,640	\$2,665,640	\$2,665,640	\$0	12/1/2009		*	
FD-2010-02	ENSTOR Energy Services, LLC 20329 State Highway 249 Houston TX 77070	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$17,700,034	\$17,700,034	\$219,800	\$0	8/9/2010		*	
FD-2011-06	EDF Trading North America, LLC 4700 West Sam Houston Houston TX 77041	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$184,833,644	\$184,833,644	\$11,157,056	\$0	6/1/2011		*	
FD-2011-10	Tenaska Gas Storage, LLC 14302 FNB Parkway Omaha NE 68154	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$1,251,315	\$1,251,315	\$0	\$0	12/1/2011		*	
FD-2011-11	Statoil Natural Gas, LLC 120 Long Ridge Road Stamford CT 06902	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$16,181,210	\$16,181,210	\$1,278,492	\$0	4/18/2012		*	
FD-2012-02	Repsol Energy North America Corporation 2455 Technology Forest Rd The Woodlands TX 77381	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$38,174,650	\$38,174,650	\$1,448,117	\$0	11/13/2012		*	
FD-2013-06	Chesapeake Energy Marketing, LLC P.O. Box 18496 Oklahoma City OK 73154-0496	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$24,212,996	\$24,212,996	\$11,901,391	\$0	5/28/2013		*	
FD-2014-08	Spark Energy Gas, LLC 12140 Wickchester Lane Houston TX 77079	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$241,639,623	\$241,639,623	\$30,174,800	\$0	2/1/2014		*	
FD-2014-12	EQT Energy, LLC 625 Liberty Ave Pittsburgh PA 15222-3111	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$108,246	\$108,246	\$108,246	\$0	5/1/2014		*	
FD-2014-14	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement	E	1	9	N	N		\$4,459,770	\$4,459,770	\$1,999,873	\$0	5/30/2014		5/31/2017	
FD-2014-15	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1	9	N	N		\$1,128,156	\$1,128,156	\$91,232	\$0	5/30/2014		5/31/2017	
FD-2014-16	Pacific Summit Energy LLC 2010 Main Street Irvine CA 92614	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$38,146,928	\$38,146,928	\$7,280,055	\$0	8/11/2014		*	
FD-2015-03	Cabot Oil & Gas Corporation 840 Gessner Road Houston TX 77024-4152	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$2,439,304	\$2,439,304	\$0	\$0	3/2/2015		*	
FD-2015-04	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1	9	N	N		\$3,235,391	\$3,235,391	\$1,892,044	\$0	1/1/2015		3/31/2017	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

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 A I N T E N A N C E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \n C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2015-05	DTE Energy Trading, Inc. 414 South Main Street Ann Arbor MI 48104	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$18,246,867	\$18,246,867	\$15,930,836	\$0	8/14/2015		*	
FD-2015-07	Definite Energy Group 575 Lexington Ave New York NY 10022	NAESB Agreement for Natural Gas	E	B	9	N	3	32	\$292,165	\$292,165	\$289,635	\$0	10/1/2015		*	
FD-2015-10	Direct Energy Business Marketing, LLC 194 Wood Ave South Iselin NJ 08830	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$809,498	\$809,498	\$809,498	\$0	12/14/2015		*	
FD-2016-02	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AEII Demand Charges	E	1	9	N	N		\$4,590	\$4,590	\$4,590	\$0	5/1/2016		4/30/2019	
FS-1994-17	Merrill Lynch Commodities, Inc. 20 East Greenway Plaza Houston TX 77046	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$276,023,906	\$276,023,906	\$296,336	\$0	7/1/1994		*	
FD-2001-23	Sempra 58 Commerce Road Stamford, CT 06902	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$168,290,671	\$168,290,671	\$0	\$0	12/01/01	C	*	3/31/2016
FD-2004-09	Southwest Energy LP Two Greenway Plaza Houston, TX 77046	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$180,117,537	\$180,117,537	\$0	\$0	6/1/2004	C	*	3/31/2016
FD-2005-02	Boss Energy Ltc 20445 State Hwy 249 Houston, TX 77070	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$73,839,766	\$73,839,766	\$0	\$0	1/25/2005	C	*	3/31/2016
FD-2006-03	UBS AG / UBS Energy LLC 677 Washington Blvd Stamford, CT 06901	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$126,500,213	\$126,500,213	\$0	\$0	7/28/2006	C	*	3/31/2016
FD-2006-05	Petrocom Ventures Ltd 1616 S. Voss Suite 945 Houston, TX 77057	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$44,715,916	\$44,715,916	\$0	\$0	7/21/2006	C	*	3/31/2016
FD-2008-01	eCORP Energy Marketing 10000 Memorial Houston, TX 77024-3410	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$72,450	\$72,450	\$0	\$0	2/1/2008	C	*	3/31/2016
FD-2008-12	eServices LLC 4461 Cox Road Suite 113 Glenn Allen, VA 23060	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$520,725	\$520,725	\$0	\$0	12/1/2008	C	*	3/31/2016
FD-2007-09	Inupiat Energy Marketing, LLC 5373 W. Alabama Houston TX 77056	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$148,511,468	\$148,511,468	\$0	\$0	3/21/2007	C	*	4/15/2016
FD-2011-02	Yaka Energy, LLC 46411 Timine Way Pendleton OR 97801	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$12,266,833	\$12,266,833	\$0	\$0	3/1/2011	C	*	5/31/2016
FD-2010-01	JLA Energy LLC Two Riverway Houston TX 77056	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$1,286,927	\$1,286,927	\$0	\$0	2/1/2010	C	*	6/24/2016
FD-2008-02	CIMA Energy, Ltd 100 Waugh Houston TX 77007	NAESB Agreement for Natural Gas	E	B	9	F	N	32	\$14,597,304	\$14,597,304	\$0	\$0	3/1/2008	C	*	9/26/2016

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - DECEMBER 2016
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

**Exhibit 4b-5
March 21, 2017**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O A	M P A	B E	D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2011-01	BG Energy Merchants, LLC 811 Main Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B	9	F	N		32	\$79,245,677	\$79,245,677	\$0	\$0	3/1/2011	C	*	10/1/2016
FD-2006-07	Texas Gas Transmission 3800 Frederica Street Owensboro KY 42304	Firm Gas Transportation Agreement	E	1	9	F	N			\$32,135,546	\$32,135,546	\$1,798,794	\$0	7/1/2006	C	*	10/31/2016
FD-2006-08	Dominion Transmission 120 Tredegar Street Richmond VA 23219	Firm Gas Transportation Agreement	E	1	9	F	N			\$25,405,765	\$25,405,765	\$1,715,590	\$0	7/1/2006	C	*	10/31/2016
FD-2016-03	George E. Warren Corp 3001 Ocean Drive Vero Beach FL 32963	Oil Letter Contract	E	B	9	F	N			\$1,773,636	\$1,773,636	\$1,773,636	\$0	11/10/2016	C	*	11/20/2016
FD-2016-04	Apex Oil Company, Inc. 8235 Forsyth Blvd. Saint Louis MO 63105	Oil Letter Contract	E	B	9	F	N			\$2,625,100	\$2,625,100	\$2,625,100	\$0	11/29/2016	C	*	12/5/2016
FD-2016-04	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	Spill Tax Reimbursement	E	1	9	N	N			\$5,354	\$5,354	\$5,354	\$0	11/29/2016	C	*	12/5/2016
FD-2013-08	Saybolt LP P.O. Box 844640 Dallas TX 752844640	Oil Inspection Agreement	S	B	9	N	N			\$39,030	\$39,030	\$11,601	\$0	1/1/2014	C	*	12/31/2016

FUELS TOTALS

\$4,123,260,823

\$4,123,260,823

\$128,933,403

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

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 ANNUAL REPORT OF PROCUREMENT CONTRACTSExhibit 4b-6
March 21, 2017

JANUARY - DECEMBER 2016

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O A	M B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N			502,075	502,075	20,450		2/24/1998	O	*	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- ARTN	S	C	9	N			275,705	275,705	100	0	9/2/2003	C		3/1/2016
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N			210,800	210,800	27,399	0	10/2/2006	O	*	
Barclays Capital (assigned from Lehman Bros.) ** 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-1	S	C	9	N			1,782,747	1,782,747	121,732	0	7/14/1994	O	*	
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	2	9	N			10,775	10,775	0	0	6/26/2008	O	*	
Citigroup 390 Greenwich Street New York, NY 10013	Re-marketing Agent CP-2	S	C	9	N			519,364	519,364	13,668	0	12/4/1997	O	*	
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing Agent CP-2 and 3	S	C	9	N			1,069,745	1,069,745	32,544	0	12/4/1997	O	*	

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 ANNUAL REPORT OF PROCUREMENT CONTRACTSExhibit 4b-6
March 21, 2017

JANUARY - DECEMBER 2016

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O P A	M B E	D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing EMCP	S	C	9	N			935,913	935,913	29,959	0	3/4/2003	O	*	
Goldman, Sachs & Co. ** 85 Broad Street New York, NY 10004-2456	ART Notes Remarketing	S	C	9	N			2,342,473	2,342,473	-	0	5/15/1985	C		3/15/2016
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N			283,915	283,915	37,923	0	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N			630,624	630,624	8,387	0	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N			555,844	555,844	14,295	0	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2015	S	C	9	N		2	5,719,333	4,901,131	2,826,000	818,202	1/15/2015	O	1/19/2018	

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
2016 ANNUAL REPORT OF PROCUREMENT CONTRACTSExhibit 4b-6
March 21, 2017

JANUARY - DECEMBER 2016

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R A	O P A	M B E	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2016	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Morgan Stanley 1221 Avenue of the Americas New York, NY 10020	Re-marketing Agent CP-1	S	C	9	N	7	418,763	418,763	59,132	0	3/31/2009	O	*	
RBC Capital Markets ** 1211 Avenue of the Americas New York, NY 10036	Re-marketing Agent CP-1	S	C	9	N		676,617	676,617	97,101	0	7/14/1994	O	*	
CORPORATE FINANCE TOTALS							15,934,693	15,116,490	3,288,690	818,202				

NOTES:

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

** Expense History only available from 1997

Introduction to and Summary of Procurement and Personal Property Disposal Guidelines

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") and the Guidelines and Procedures for Disposal of Personal Property ("Personal Property Disposal Guidelines") annually and, if appropriate, recommends adoption by the full Board at the annual meeting (to be held on March 21, 2017).

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 ("MWBE") and Service-Disabled Veteran-Owned Business ("SDVOB") 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 29, 2016.

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. Such changes pertain to **Definitions** and **Solicitation Requirements**, as well as **Contracting Decisions Involving Current or Former Employees** and **Supplier Diversity Program Requirements**, as highlighted below:

- **DEFINITIONS and SOLICITATION REQUIREMENTS:**

The following definition has been amended, pursuant to State Finance Law §§ 139-j and 139-k, as set forth in Section 2.F of the Procurement Guidelines:

"Contact" is any oral, written or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the Authority's conduct or decision regarding the procurement.

The following definition and solicitation requirement has been amended, as set forth in Subsection 3.Q.2 of the Procurement Guidelines:

The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State Contract Reporter) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerers (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.

The solicitation requirement regarding Authority procurement contracts issued pursuant to GSA or OGS contracts has been amended, as summarized below and more fully set forth in Section 3.F:

Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains SSM Department, or facility SSM Departments, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.

- **CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER AUTHORITY EMPLOYEES**, as summarized below and more fully set forth in Section 9.A and Subsection 9.B.3 of the Procurement Guidelines:

Former Authority officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Joint Commission on Public Ethics that such engagement is permissible; and upon approval of the President and Chief Executive Officer, as well as the Chairman of the Board of Trustees.

Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Authority officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Authority, if, prior to engaging in such service, the Chairman of the Board of Trustees certifies in writing to the New York State Joint Commission on Public Ethics that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Authority's needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the reasons for such certification. The New York State Joint Commission on Public Ethics must review and approve all such certifications.

- **SUPPLIER DIVERSITY PROGRAM REQUIREMENTS**, as summarized below and more fully set forth in updated Article 10 of the Procurement Guidelines:

..... Bidders' proposals will include a completed Utilization Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required.....

It should be noted that the Procurement Department has been rebranded Strategic Supply Management ("SSM"). Accordingly, such change as well as other 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 2b-7a) and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2017. The approved Guidelines will become effective on March 31, 2017 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. For the purposes of these Guidelines, such Property may include, but is not limited to, Authority-owned materials, tools, equipment and vehicles regardless of value. 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 29, 2016.

Staff has reviewed the Personal Property Disposal Guidelines and recommends no substantive changes. Several non-substantive and stylistic changes are set forth in the redlined copy attached hereto as Exhibit 2b-7b to reflect titular or organizational changes.

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 2b-7b) and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2017. The approved Guidelines will become effective on March 31, 2017 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.

GUIDELINES FOR PROCUREMENT CONTRACTS

1. PURPOSE

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

2. DEFINITIONS

- A. “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) and capital projects, 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 Authority’s conduct or decision regarding the procurement.
- G. “Relative” is any person living in the same household as the Authority employee and any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Subsection 9.E.1 of these Guidelines.
- H. “Minority- and Women-owned Business Enterprise” (“MWBE”) is defined as any New York State-certified business enterprise at least 51% of which is owned by black persons, Hispanics, Native Americans, Asians, Pacific Islanders and/or women, and as further described in the Authority’s Supplier Diversity Program Policy and Procedures and Executive Law Article 15-A, and pursuant to the definition found in Executive Law § 310.
- I. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- J. “Single Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one 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.
- L. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.

- M. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$200,000 for the purchase of commodities and/or services from Small Businesses or NYS-certified MWBE or SDVOB firms, and as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$200,000, pursuant to State Finance Law § 163.

3. **SOLICITATION REQUIREMENTS**

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

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

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

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

distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.

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

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

work scope is below a specified monetary threshold. The decision to assign work without conducting a mini-bid shall typically be made jointly by the SSM and initiating departments, and shall be documented for the procurement record.

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

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

awarded to not-for-profit human services providers. (See Article 4-C, Economic Development Law)

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the SSM Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

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

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

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as an Authority representative, a

“competitive search” will be conducted to determine which consultants are most qualified, for reasonable compensation terms, to perform the work. Depending on market conditions, at least five potential sources should be evaluated; if there are fewer than five sources, all sources should be evaluated. The White Plains SSM Department or the appropriate facility SSM Department will work with the initiating department to gather information from potential sources, that will include a description of the consultant/firm’s qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
 2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
 3. A sole supplier’s item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
 4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
 5. The contract is awarded to a Small Business or to a NYS-certified SDVOB or MWBE firm for discretionary purchases not exceeding \$200,000, pursuant to Section 3.D and as further set forth in Section 2.M.
 6. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 7. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.
- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the

successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.

- M. Subject to the Authority's Expenditure Authorization Procedures ("EAPs"), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:
 - 1. A threat to the health or safety of the public or Authority employees or workers.
 - 2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the reasons therefor to the White Plains SSM Department or the appropriate facility SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the SSM Department.
- P. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation

generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.

- Q. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:
1. A “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property that is the subject of a governmental procurement, with an estimated annualized expenditure in excess of \$15,000. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.
 2. The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., *New York State Contract Reporter*) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerers (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.
 3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.
- R. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of

such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority's Corporate Policy regarding this matter.

- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its

members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder's skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.
- In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains SSM Department and/or the appropriate facility SSM Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s) or designee, to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.
- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

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

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

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

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

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

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

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

5. **RECOMMENDATION OF AWARD**

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

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

6. AWARD OF CONTRACT

- A. Services Contracts to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12 months are approved by authorized designees in accordance with existing EAPs. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services, that has previously been approved by the Trustees, for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts 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 SSM Department or the facilities' SSM Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at

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

7. CONTRACT PROVISIONS

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

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

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

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

16. Proprietary Nature of Work
17. Testimony
18. MWBE requirements
19. SDVOB requirements
20. Entire Agreement

Contract Attachments

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

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

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

The above restrictions shall not apply where:

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

8. CHANGE ORDERS

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.M herein, that require the immediate performance of work by a firm already under contract;
 4. When rebidding would not be practical or in the best interests of the Authority's customers; and
 5. To meet the Authority's Supplier Diversity and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- B. All Change Orders must be approved in accordance with the Authority's EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the

modification was neither contemplated nor provided for in the solicitation for such competitive procurement.

9. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES

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

The New York State Joint Commission on Public Ethics must review and approve all such certifications.

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

10. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS

The Authority strives to continue to foster the development of business opportunities on Authority contracts for MWBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. The definition of an MWBE is included in Section 2.H of these Guidelines. The Authority aims to solicit proposals from NYS-certified MWBEs that are qualified to perform the required work. In addition, specific goals may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Bidders' proposals will include a completed Utilization Plan Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required. Such bidders' failure to meet these

requirements may be grounds for rejection of the proposal, or cancellation of the contract if a contractor did not make a good faith effort to meet its goals after contract award. 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. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

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

function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

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

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

12. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

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

B. Procurement Report

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

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

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

Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

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

13. 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, Articles 15-A and 17-B of the Executive Law and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these Guidelines.

2. DEFINITIONS

- A. “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, operations and maintenance (“O&M”) and capital projects, 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 Authority’s conduct or decision regarding the procurement.
- G. “Relative” is any person living in the same household as the Authority employee and any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Subsection 9.E.1 of these Guidelines.
- H. “Minority- and Women-owned Business Enterprise” (“MWBE”) is defined as any New York State-certified business enterprise at least 51% of which is owned by black persons, Hispanics, Native Americans, Asians, Pacific Islanders and/or women, and as further described in the Authority’s Supplier Diversity Program Policy and Procedures and Executive Law Article 15-A, and pursuant to the definition found in Executive Law § 310.
- I. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- J. “Single Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one 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.
- L. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.

- M. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$200,000 for the purchase of commodities and/or services from Small Businesses or NYS-certified MWBE or SDVOB firms, and as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$200,000, pursuant to State Finance Law § 163.

3. **SOLICITATION REQUIREMENTS**

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

regardless of the type of contract. For the purpose of these Guidelines, the definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.H, 2.L and 2.I, respectively.

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

- E. It is the policy of New York State to promote the participation of and maximize the opportunities for New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:
1. “New York State Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
 2. “New York State resident” is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
 3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise,

including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.

4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.
5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
6. Pursuant to Public Authorities Law § 2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.

- F. ~~Certain~~ Goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains ~~Procurement~~SSM Department, or facility ~~Procurement~~SSM Departments, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.

Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a “mini-bid” (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts. Certain other Procurement Contracts issued by the Authority (e.g., for on-call consulting or contracting services) may also utilize a mini-bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Authority’s bid requirements, in order to satisfy multiple factors and needs as set forth in the bid document. Such mini-bids shall be conducted by the Authority’s ~~Procurement~~SSM staff (or on behalf of the Authority by an Implementation Contractor) where applicable and practicable. Within a said

multiple award group, work may be assigned to a specific firm without conducting a mini-bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Authority's needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini-bid shall typically be made jointly by the ~~Procurement~~SSM and initiating departments, and shall be documented for the procurement record.

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

awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

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

Certain Procurement Contracts may require purchases: (1) on a spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that do not lend themselves to the solicitation process. Such purchases are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement, and/or the head of the initiating department that does not complete its procurements through the ~~Procurement~~SSM Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

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

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

contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of value, and advertised as such on the *Contract Reporter* website.

- J. Proposals for certain Services Contracts may also be solicited by competitive search, as follows:

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as an Authority representative, a “competitive search” will be conducted to determine which consultants are most qualified, for reasonable compensation terms, to perform the work. Depending on market conditions, at least five potential sources should be evaluated; if there are fewer than five sources, all sources should be evaluated. The White Plains ~~Procurement~~SSM Department or the appropriate facility ~~Procurement~~SSM Department will work with the initiating department to gather information from potential sources, that will include a description of the consultant/firm’s qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
 2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
 3. A sole supplier’s item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
 4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
 5. The contract is awarded to a Small Business or to a NYS-certified SDVOB or MWBE firm for discretionary purchases not exceeding \$200,000, pursuant to Section 3.D and as further set forth in Section 2.M.
 6. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 7. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$200,000, as further set forth in Section 2.M and subject to the approvals stated in Section 3.D.
 8. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2

NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.

- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
- M. Subject to the Authority’s Expenditure Authorization Procedures (“EAPs”), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:
1. A threat to the health or safety of the public or Authority employees or workers.
 2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the reasons therefor to the White Plains ~~Procurement~~SSM Department or the appropriate facility ~~Procurement~~SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President of Procurement, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the ~~Procurement~~SSM Department.
- P. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and

procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation

generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.

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

1. A “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property that is the subject of a governmental procurement, with an estimated annualized expenditure in excess of \$15,000. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.
2. The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State Contract Reporter) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerers (i.e., bidders/contractors) intending to result in a procurement contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.
3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

R. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of

such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority's Corporate Policy regarding this matter.

- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its

members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

4. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder's skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.
- In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains ~~Procurement~~SSM Department and/or the appropriate facility ~~Procurement~~SSM Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s) or designee, to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.
- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

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

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

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

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

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

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

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

5. **RECOMMENDATION OF AWARD**

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

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

6. AWARD OF CONTRACT

- A. Services Contracts to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12 months are approved by authorized designees in accordance with existing EAPs. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services, that has previously been approved by the Trustees, for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts 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~~SSM Department or the facilities' ~~Procurement~~SSM Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- I. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at

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

7. **CONTRACT PROVISIONS**

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

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

- B. The following types of provisions setting forth contractor responsibilities are to be contained in the standard forms of Procurement Contracts, except that any provisions listed below that are inapplicable or unnecessary because of the nature or duration of the work to be performed, the location(s) where the work is to be performed or the type of compensation being paid therefor, need not be included. Other provisions may be added as necessary and appropriate.
1. Schedule of Services or Specifications
 2. Time of Completion
 3. Compensation or Itemized Proposals
 4. Relationship of Parties
 5. Delays
 6. Termination
 7. Changes in the Work
 8. Claims and Disputes
 9. Warranty
 10. Insurance
 11. Records, Accounts, Inspection and Audit
 12. Assignment
 13. Notices
 14. Indemnification
 15. Governing Law

16. Proprietary Nature of Work
17. Testimony
18. MWBE requirements
19. SDVOB requirements
20. Entire Agreement

Contract Attachments

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

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

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

The above restrictions shall not apply where:

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

8. CHANGE ORDERS

- A. Change Orders to existing contracts are justified in the following cases:
 1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
 2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
 3. To accommodate emergency conditions, defined in Section 3.M herein, that require the immediate performance of work by a firm already under contract;
 4. When rebidding would not be practical or in the best interests of the Authority's customers; and
 5. To meet the Authority's Supplier Diversity and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- B. All Change Orders must be approved in accordance with the Authority's EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the

modification was neither contemplated nor provided for in the solicitation for such competitive procurement.

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

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

State Joint Commission on Public Ethics must review and approve all such certifications.

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

10. **SUPPLIER DIVERSITY PROGRAM REQUIREMENTS**

The Authority strives to continue to foster the development of business opportunities on Authority contracts for MWBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. The definition of an MWBE is included in Section 2.H of these Guidelines. The Authority aims to solicit proposals from NYS-certified MWBEs that are qualified to perform the required work. In addition, specific goals may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Bidders' proposals will include a completed Utilization Plan Form for MWBEs, ~~and as well as~~ applicable EEO and Diversity Practices Forms, where required, ~~and s~~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. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

The Authority also strives to foster the development of business opportunities for NYS-certified SDVOBs and to further increase participation by SDVOBs in Authority contracts, as set forth in Sections 2.L and 3.I of these Guidelines and pursuant to Article 17-B of the Executive Law. One tool is the use of SDVOB discretionary purchasing, as further described in Sections 3.D, I and K of these Guidelines. Another tool authorized by the law is the use of set-asides, which permit the reservation in whole or in part of certain procurements by state agencies and authorities when more than one NYS-certified SDVOB

is available and can provide the necessary goods or services to meet the Authority's form, function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

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

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

12. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

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

B. Procurement Report

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

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

spent on the contract during the reporting period and for the term of the contract to date and the status of open Procurement Contracts during the report year;

6. The type of contract (equipment, services, personal services or construction);
7. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source or competitive search);
8. The reasons why any procurements with a value equal to or greater than \$50,000 were not noticed in the Contract Reporter;
9. The number of bids received and
10. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.

C. Such annual report, as approved by the Trustees, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, and copies thereof shall be distributed to the New York State Department of Audit and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual procurement report is posted on the Authority's website and copies shall be made available to the public upon reasonable written request therefor.

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

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

E. The Authority may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the PAAA or other statutes regulating the procurement of goods and services, such as the

Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").

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

13. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS

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

GUIDELINES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

PERSONAL PROPERTY

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GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY PERSONAL PROPERTY

I. PURPOSE

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

II. DEFINITIONS

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

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

III. OBJECTIVE

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

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

IV. TRANSACTIONS NOT COVERED

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

1. Disposal of real property interests;
2. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
3. Transfer/re-deployment of Property from one Authority facility to another Authority facility.

V. DESIGNATION OF PROPERTY DISPOSAL COORDINATORS

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

location ("Facility PDC"). The Facility PDC reports to the DSP&W.

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

VI. DISPOSAL OF AUTHORITY PERSONAL PROPERTY

Except for Disposals pursuant to Article VII, Article XII and Subsection VI.A.4 of

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

A. DISPOSAL METHODS FOR PERSONAL PROPERTY

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

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

- c. where the value of the Property exceeds \$5,000, all bid amounts shall be posted to the Authority's internet website or publically disclosed at the time and place of the sale; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.
4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
- a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 3 of this Section, would adversely affect the state or local market for such Property, and the estimated Fair Market Value of such Property and other satisfactory terms of disposal may be obtained by negotiation;
 - b. bid prices after advertising therefore are not reasonable, either as to all or part of the Property, or have not been independently arrived at in open competition;

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

ownership and use of the Property will remain with the government or any other public entity;

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

days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and if the transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

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

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to

the communities in which the Property is situated as are required by the transfer;

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

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

7. In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they

have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

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

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

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

VII. CENTRALIZED DISPOSAL

- A. Subject to the approval of the Contracting Officer or authorized designee and in accordance with Article VI of these Guidelines, in either the initial document authorizing the disposal or through a subsequent communication, Property may

be disposed of using any of the following methods:

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

VIII. DECENTRALIZED DISPOSAL

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

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

- C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Property in accordance with these Guidelines.

IX. PARTIES PROHIBITED FROM BIDDING

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

in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT

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

disposal or redeployment, financial viability of the bidder, and condition of the Property.

- D. Notwithstanding any determination by the responsible PDC, the Responsible Officer(s) or designee, with the review and approval of the Contracting Officer, may direct the sale of the Property to the person or firm submitting the highest bid.
- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly

traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

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

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

- A. For the purposes of these Guidelines, the Responsible Officer(s) or designee will in each case review the appropriateness of the Fair Market Value estimate and the recommendation for contract award for disposal of the Property. Responsible Officers or designee are designated as follows:
 1. The Board of Trustees, if the Fair Market Value of the Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6; or
 2. The President or the Chief Operating Officer or equivalent(s), if the Fair Market Value of the Property is up to \$1,000,000; or
 3. The Executive Vice President and Chief Financial Officer or equivalent(s), if the Fair Market Value of the Property is up to \$750,000; or
 4. For Fleet-related transactions, the Senior Vice President – Human

Resources and Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$750,000; or

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

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

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

C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the

Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures – Attachment C.

- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority's Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

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

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

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

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

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

these items in this manner represents the best value to New York State in lieu of attempted re-sale of such materials.

XIII. METHODS OF PAYMENT

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

XIV. REPORTING REQUIREMENTS

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

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

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

BID SHEET

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

LUMP SUM BID AMOUNT* \$ _____

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

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

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

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

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

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

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

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

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

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

ADVERTISEMENT FOR PROPOSALS

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

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

**PERSONAL PROPERTY
SALES AGREEMENT**

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

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

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

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

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

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

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

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

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

GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY
PERSONAL PROPERTY

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GUIDELINES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY PERSONAL PROPERTY

I. PURPOSE

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

II. DEFINITIONS

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

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

III. OBJECTIVE

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

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

IV. **TRANSACTIONS NOT COVERED**

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

1. Disposal of real property interests;
2. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
3. Transfer/re-deployment of Property from one Authority facility to another Authority facility.

V. **DESIGNATION OF PROPERTY DISPOSAL COORDINATORS**

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

to \$5,000 and assists the DSP&~~WMM~~ with all other disposals at his or her facility or location ("Facility PDC"). The Facility PDC reports to the DSP&~~WMM~~.

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

VI. DISPOSAL OF AUTHORITY PERSONAL PROPERTY

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

A. DISPOSAL METHODS FOR PERSONAL PROPERTY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. CENTRALIZED DISPOSAL

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

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

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

VIII. DECENTRALIZED DISPOSAL

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

- B. If the responsible PDC, in conference with either the DSP&WMM 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&WMM or the Contracting Officer or authorized designee, as appropriate, determine there is no interest in such material at other Authority facilities, a written explanation should be prepared by the PDC to that effect and maintained in the file for that transaction.
- C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Property in accordance with these Guidelines.

IX. PARTIES PROHIBITED FROM BIDDING

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

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

X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT

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

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

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

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

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

XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY

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

\$750,000; or

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

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

1. For purposes of these Guidelines, the Director - Fleet Operations (“DFO”) or equivalent(s) and DSP&~~WMM~~ 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&WMM 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&~~WMM~~ 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&~~WMM~~ and WPO PDC(s). In certain cases involving a transfer of Property to other state agencies or authorities, the performance of documented services to the Authority equal to or greater in value to the Fair Market Value of the Property, will serve as payment for such Property. The authorization limits of Article XI shall apply to such transactions.

XIV. REPORTING REQUIREMENTS

- A. The Authority shall publish, not less frequently than annually, a report of all Property having a FMV in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Authority during such period. Such report shall be prepared in conjunction with the

report required by the Authority's "Guidelines for the Disposal of New York Power Authority Real Property."

- B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.
- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.
- D. For disposal by negotiation of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of personal property and real property.

- |
- F. The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System (“PARIS”).

BID SHEET

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

LUMP SUM BID AMOUNT* \$ _____

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

Signature

Company Name

Name (Printed)

Street Address

Date

City, State, Zip Code

FAX number

Telephone number

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

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

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

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

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

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

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

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

ADVERTISEMENT FOR PROPOSALS

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

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

**PERSONAL PROPERTY
SALES AGREEMENT**

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

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

Description of Personal Property:

Selling Price: _____

Executed this _____ day of _____, 20 _____.

Buyer (Print or Type):

Seller:

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

Authorized Signature

Authorized Signature

Full Name (Printed)

Title

Title

PRIVACY LAW NOTIFICATION

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

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

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

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

ACQUISITION AND DISPOSAL OF REAL PROPERTY

January - December 2016

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, 2016.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

Jane A. Babbie - Acquisition of 1.6 acres in the Town of Plattsburgh, County of Clinton (Map No. CL-1507, Parcel No. 1507) in support of the PV-20 Transition Station relocation. The consideration for this transaction was \$8,000.00. The warranty deed was recorded on June 14, 2016.

New York State Office of General Services – During this reporting period NYPA Real Estate renewed an existing easement with the New York State Office of General Services for the operation and maintenance of underwater electrical conduits situated in the Hudson River as part of the Marcy-South Transmission Project in the Town of Newburgh, Orange County and the Town of Wappinger, Dutchess County. The term of this easement is from January 11, 2016- August 31, 2039. The consideration was \$103,495.00. The easement was approved by the Trustees on September 19, 2015 and recorded in both counties on June 28, 2016.

Stephen W. Ladue - Acquisition of a temporary easement over and across lands of Stephen Ladue in support of the construction of the Subterranean Transmission Facilities in the Town of Plattsburgh, Clinton County (Map No. CL-1508, Parcel No. 1508). There was no consideration for this transaction. The easement was recorded on August 18, 2016.

Thomas J. Jones and Wendy J. Jones – Acquisition of a permanent easement for the purpose of constructing, re-constructing, repairing, and maintaining an access road in the Town of Greig, County of Lewis (Map No. LG-1202, Parcel No. 1202A) from Thomas and Wendy Jones on July 20, 2016. The consideration was \$50.00. The easement was recorded on August 24, 2016.

Thomas J. Jones, Donald E. Jones, and Scott D. Jones – Acquisition of a permanent easement for the purpose of constructing, re-constructing, repairing, and maintaining an access road in the Town of Greig, County of Lewis (Map No. LG-1202, Parcel No. 1202B) from Thomas, Donald, and Scott Jones on July 20, 2016. The consideration was \$1,350.00. The easement was recorded on August 24, 2016.

David E. Rice and Laurie E. Rice – Acquisition of a permanent easement for the purpose of constructing, re-constructing, repairing, and maintaining an access road in the Town of Greig, County of Lewis (Map No. LG-1202, Parcel No. 1202C) from David and Laurie Rice on July 27, 2016. The consideration was \$500.00. The easement was recorded on August 24, 2016.

Portion of the Bed of Cumberland Head Road – During this reporting period NYPA Real Estate acquired by appropriation a permanent easement in support of a subterranean transmission line in the Town of Plattsburgh, County of Clinton. Title was vested by filing Map No. CL-1506, Parcel No. 1506 with the Clinton County Clerk on October 24, 2016.

Park Manager House, Mine Kill State Park - During this reporting period NYPA Real Estate acquired 15.48 acres of real property located at 102 Avenue of the Stars, Town of Blenheim, County of Schoharie, from Vincenzo and Antonio Cascetta, which is a single family residence and will serve as the residence for the Park Manager of Mine Kill State Park. The consideration was \$230,000.00. The warranty deed was recorded on November 9, 2016. The purchase was approved by the Trustees on September 27, 2016.

Nickerson Park Campground, Inc. - During this reporting period NYPA Real Estate acquired by appropriation two permanent easements from Nickerson Park Campground, Inc. in the Town of Gilboa, County of Schoharie. Title was vested by filing Map No. 203, Parcel No(s). 203A, and 203B with the Schoharie County Clerk on December 27, 2016. The purpose of the two easements is in support of routine operation of the Blenheim-Gilboa Pumped Storage Power Project lower reservoir and access thereto, respectively. The total appraised value of both parcels is \$42,000.00. This was approved by the Trustees on September 27, 2016.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 189 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Moses-Willis, and Gilboa-New Scotland.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

Erie Canal Harbor Development Corporation – Conveyed 14.21 acres of surplus property known as the First Buffalo Marina to the Erie Canal Harbor Development Corporation in

the City of Buffalo, County of Erie (Map No. 340-C, Parcel No. 3292). This conveyance was approved by the Board of Trustees on July 30, 2015. The deed was recorded on December 16, 2016, and the consideration was \$1.00.

2.) Land Use Permits:

During this reporting period, the real estate group issued 36 land use permits for use of the Authority's real property, both fee-owned and held by easement:

LAND USE PERMITS			
Permit No.	Town/ Issue Date	Permittee	Purpose
BP-16-386P	Plattsburgh 8/17/2016	Stephen Ladue	Access for recreational use of land owned by Authority along the shoreline of Lake Champlain.
CEC-14-3P-A1	Marcy 10/31/2016	Deerfield Snow Trail, Inc.	Extended the term for operating and maintaining a seasonal snowmobile trail.
CEC-15-159P	Marcy 2/18/2016	Niagara Mohawk Power Corporation d/b/a National Grid	Install a microwave antenna on a 756kV tower at Authority's Marcy Substation.
CEC-15-193P	Russia 1/27/2016	Adirondack Foothills Rotary, Inc.	Utilize Authority's boat launch on the Hinckley Reservoir from February 21- February 28th, for a fishing tournament on the 28th.
MS-15-194P	Delhi 1/6/2016	New York State Gas & Electric Corporation and ABB, Inc.	Remove spoils and debris placed by ABB, Inc. under Authority-owned transmission lines.
MS-16-254P	Otego 3/14/2016	Gutchess Lumber Company	Transport harvested timber over and across portions of property under the jurisdiction of Authority.
MS-16-373P	Middletown 9/1/2016	CPV Valley Inc.	Construct, install, and maintain two 345kV permanent transmission line poles to connect to the existing Marcy South transmission line to the new Dolson Avenue Substation, together with the construction and use of a permanent access road.

MSU-16-340P	Grieg 5/18/2016	Doug Tiffany	Remove a mound of earth on or across land owned by Permittee and under the jurisdiction of Authority.
MWP-15-192P	Chateauguay 2/8/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Perform soil test borings and other related tests and samples within the Authority's Willis Substation.
MWP-16-294P	Chateauguay 4/29/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Construct and install access roads and underground collection and distribution lines for the purpose of transporting materials to various turbine sites.
MWP-16-369P	Chateauguay 4/29/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Remove, repair, and replace existing substation equipment and foundations in support of construction of new interconnect facilities within the Authority's Willis Substation.
MWP-16-374P	Chateauguay 7/28/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Remove, repair, and replace certain portions of the existing HVAC system at the Willis Substation for Permittee's Wind Farm Project.
MWP-16-381P	Chateauguay 8/22/2016	Jericho Rise Wind Farm LLC, a Delaware Limited Liability Company	Perform certain switchyard demolition, reconstruction and upgrades at the Willis Substation.
NATL-15-195P	Verona 4/18/2016	Thomas and Jon Williams	Install drainage tile for agricultural purposes.
NATL-16-273P	Marcy 3/18/2016	National Grid	Expand its Edic Substation approximately fifty feet on the North and West sides and to carry out site preparation and re-grading to erect fencing thereon.
NATL-16-297P	Henrietta 4/5/2016	Rochester Gas & Electric	Construct, install, maintain, and remove temporary access roads for the purpose of transporting materials and equipment to the construction area of their Station 80 345kV Fifth Bay Expansion project.
NATL-16-312P	Henrietta 4/27/2016	Rochester Gas & Electric	Construct, install, operate, maintain, repair, replace, and remove a 15kV distribution line.
NATL-16-331P	Clay 7/7/2016	New Vision Communications	

			Install and maintain All-dielectric Self-Supporting (ADSS) fiber on existing utility poles.
NATL-16-361P	New Haven 7/29/2016	Steiner	Carry out timber harvesting and related work.
NATL-16-362P	Perinton 7/25/2016	Rochester Gas & Electric	Implement upgrades at its Pannell Substation including the removal and replacement of their distribution structures and conductors and to carry out site preparation work.
NATL-16-378P	Pittsford 8/8/2016	Rochester Gas & Electric	Construct, install, operate, maintain, repair, replace, and remove an existing farm tap.
NPP-96-5-A-XIII	Niagara Falls 7/28/2016	Rueben Haseley Farms	Access for growing and harvesting agricultural crops.
NPP-15-218P	Buffalo 2/3/2016	Erie Canal Harbor Development Corporation	Construct, reconstruct, install, operate, and maintain, dedicated docks and an access gangway with a waiting area for riders for the establishment of the “Queen City Bike Ferry”.
NPP-15-265P	Niagara Falls 2/29/2016	Panamerican Consultants Inc.	Access to perform shovel testing as part of an archeological investigation.
NPP-16-317P	Lewiston 4/4/2016	Niagara Falls Bridge Commission	Access for a laydown and staging area for construction equipment during the sandblasting and repainting of Permittee’s Lewiston-Queenston Bridge.
NPP-16-387P	Niagara Falls 9/26/2016	Niagara Falls Bridge Commission	Perform work in support of its “Rock Slope Stabilization and Retaining Wall Repair” project at their Whirlpool International Bridge and the International Bridge facilities.
NPP-16-388P	Niagara Falls 10/5/2016	Niagara Firefighters Christmas Toy Fund	Access for a charity 5K Walk/Run.
SLPP-16-248P	Louisville 2/5/2016	Majestic Fireworks	Access to the Lake St. Lawrence Yacht club for a fireworks display for the “Winter Chill” event.
SLPP-16-325P	Waddington 4/18/2016	Town of Waddington	Install and maintain a gate at the Iroquois Dam entrance.

SLPP-16-365P	Massena 6/16/2016	Arcadis of New York, Inc.	Perform environmental sampling to comply with the Environmental Protection Agency's record of decision.
SLPP-16-376P	Waddington 7/29/2016	Majestic Fireworks	Access to Ogden Island for a fireworks display.
SLPP-16-383P	Waddington 9/19/2016	Terracon Consultants, Inc.	Perform soil test borings and other related tests and samples within the Authority's Iroquois Dam.
SLPP-16-384P	Massena 9/19/2016	Clarkson University, Dr. Twiss	Access to Authority's Moses-Saunders Power Dam's No. 32 and No. 17 Generating Units for the temporary installation and operation of a water quality sensor array.
SLPP-16-398P	Massena 11/10/2016	Special Olympics, New York Inc.	Access to the Frank S. McCullough, Jr. Hawkins Point Visitor Center for the Special Olympics Polar Plunge.
SLPP-16-391P	Louisville 10/13/2016	Daniel and Jacqueline Miller	Construct and maintain a replacement septic system and deactivate an existing septic system.
WPO-15-57P	White Plains 6/27/2016	New York State Department of Economic Development	Use a portion of the 9 th floor in the building known as the Clarence D. Rappleyea Office Building for office purposes.

III. MISCELLANEOUS TRANSACTIONS

The College of Technology at SUNY Canton

During this reporting period NYPA entered into a Permit with The College of Technology at SUNY Canton to allow NYPA to conduct and perform studies and actions necessary to determine the adequacy of the proposed new right-of-way for the relocation of the Moses-Adirondack Transmission lines crossing SUNY Canton. This Permit was executed on August 4, 2016 and will expire on June 30, 2017.

New York State Office of General Services

NYPA Real Estate entered into a Permit with the New York State Office of General Services for the replacement and installation of a 115kV power transmission cable beneath the waters of Lake Champlain. The agreement was entered into on July 27, 2016 and the term of this Permit is from October 1, 2016- September 30, 2018.

IV. LEASING

1) Landlord Leases:

Federal Bar Council

During this reporting period NYPA Real Estate extended an existing lease for 2,150 rentable square feet for the purpose of office space located on the 1st floor of the Authority's 123 Main Street Building in White Plains, New York. The term of the first lease extension was from August 1, 2016- August 31, 2016. The term of the second lease extension was from September 1, 2016- September 30, 2016. The tenant has now vacated the premises.

St. Lawrence University

During this reporting period NYPA Real Estate entered into a lease agreement with St. Lawrence University for approximately 1.0 acre of land located in the Town of Waddington, County of St. Lawrence, for the operation and maintenance of the existing boathouse facility. The initial annual rent is \$3,600.00. The term of this lease is from June 2016 – May 31, 2030. The Board of Trustees approved this lease on October 5, 2016.

Lake St. Lawrence Yacht Club, Inc.

During this reporting period the Real Estate Department entered into a lease agreement with Lake St. Lawrence Yacht Club, Inc. for approximately 1.4 acres of land located in the Town of Louisville, County of St. Lawrence for the construction and operation of recreational facilities. The term of this lease is from May 1, 2016- April 30, 2030. The initial annual rent is \$3,000.00. The Board of Trustees approved this lease on October 5, 2016.

2) Tenant Leases:

Bartnick Irrevocable Trust

During this reporting period the Real Estate Department entered into a lease with Bartnick Irrevocable Trust for the rental of approximately 6,000 square feet of transmission maintenance storage space in Utica, NY. The term of this lease is from January 1, 2016- December 31, 2018 with the initial annual rent of \$26,450.

Landmark Aviation- Westchester County Airport

During this reporting period the Real Estate Department exercised its option to extend an existing lease for an additional three-year term, for the pilot office and hangar space leases at the Westchester County Airport.

Acquisition of Leases for New York State Canal Corporations

Pursuant to Part TT of Chapter 54 of the Laws of 2016 ("Part TT"), as of January 1, 2017 the New York State Canal Corporation, formerly a subsidiary of the New York State Thruway Authority, was reconstituted as a subsidiary corporation of the Power Authority and certain powers, duties and obligations relating to the New York State Canal System were transferred from the Thruway Authority to the Power Authority.

As part of this transfer, Canal Corporation's Western, Central and Headquarters Division staffs, previously housed in Thruway Authority offices, were relocated to Authority-leased facilities. During this reporting period, NYPA Real Estate acquired three leases for Canal Corporation staff. These transactions were approved by the Board of Trustees on September 27, 2016.

<u>Landlord</u>	<u>Space</u>	<u>Expiration</u>	<u>Annual Rent</u>
One Northern Concourse, LLC	2,990 square feet of office space	12/31/2019	\$44,850.00
Genesee Street, LLC	3,349 square feet of office space	10/31/2021	\$46,886.00
PS Associates, L.P.	17,100 square feet of office space	11/18/2026	\$337,725.00

Fuller Road Management Corporation

During this reporting period the Real Estate Department and the Fuller Road Management Corporation executed an amendment of lease to add cleaning services. This amendment was effective October 1, 2016.

V. ST. LAWRENCE RELICENSING

1.) St. Lawrence Lands Program:

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

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

DEEDS FILED						
NYPA Surplus Map No.	NYPA Surplus Parcel No.	Current Owner Name	Acreage	Appraisal Value	Filing Date	Town
1165C	8152	Oscar and Nicole Zeledon	.05	\$500.00	1/15/2016	Waddington
1155C	8286	Michele Mayette and Paul Jones	.12	\$200.00	1/15/2016	Waddington

1165C	8351	David and Tracey Putney	.01	\$50.00	3/25/2016	Waddington
1173C	8440	Pat Curran	.17	\$2,550.00	3/29/2016	Louisville
1132C	8582	Patrick D. Carroll	.02	\$300.00	4/19/2016	Louisville
1147C	8214	Randy and Cindy Deshaies	.13	\$2,300.00	4/19/2016	Waddington
1170C	8657	Town of Waddington	.65	\$1.00	5/12/2016	Waddington
1173C	8442	David and Micheline Cappione	.16	\$2,700.00	5/12/2016	Louisville
1155C	8288	Ronald P. McDougall	.10	\$100.00	5/19/2016	Waddington
1155C	8289	Ronald P. McDougall	.88	\$700.00	5/19/2016	Waddington
1174C	8451	Brenda B. Green	.21	\$3,150.00	5/26/2016	Louisville
1178C	8516	Peter and Tracy Lavigne	.13	\$1,950.00	6/9/2016	Louisville
1205C	8728 8729	Olivia Martin	3.05	\$6,000.00	7/7/2016	Waddington
1146C	8202	Barbara S. Doe	.16	\$3,200.00	8/9/2016	Waddington
1146C	8203	Barbara S. Doe	.13	\$2,300.00	8/9/2016	Waddington
1148C	8374	Phillip G. McCullough	.08	\$1,200.00	8/9/2016	Waddington
1147C	8215	Lori J. Sutter	.15	\$2,700.00	8/9/2016	Waddington
1163C	8148	Mark and Kelly Scott	.27	\$3,200.00	8/9/2016	Waddington
1147C	8216	Frank and Ginger Abrunzo	.06	\$1,100.00	10/4/2016	Waddington
1172C	8429	Patrick and Tracy Casey	.16	\$2,400.00	12/9/2016	Louisville
1153C	8259	Joseph and Katherine Garcia	.08	\$100.00	12/9/2016	Waddington

During this period 21 deeds were finalized and recorded in the County Clerk's office. To date, 530 of the 599 acres have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 470 transactions 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.

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

REAL PROPERTY

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

I. PURPOSE

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

II. DEFINITIONS

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

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

III. COMPLIANCE OVERVIEW

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

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

IV. **DUTIES OF THE MANAGER CORPORATE REAL ESTATE**

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

V. PROCEDURES FOR THE DISPOSITION OF AUTHORITY REAL PROPERTY

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

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

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

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

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

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

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

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

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

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

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

- 5.9 No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.10 No Authority employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
- 5.11 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.
- 5.11.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, **or** 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such

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

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

VI. AUTHORITY REAL PROPERTY REPORTS

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

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

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

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

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

VII. APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD

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

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

REAL PROPERTY

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

I. PURPOSE

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

II. DEFINITIONS

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

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

III. COMPLIANCE OVERVIEW

The Public Authorities ~~Accountability Act~~Law (“~~PAA~~APAL”) 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 ~~PAAAPAL~~.
- 3.4 Prepare annual reports of Real Property Disposal transactions.

IV. DUTIES OF THE ~~DIRECTOR OF MANAGER CORPORATE~~ REAL ESTATE

- 4.1 The ~~Director of~~ Manager of Corporate Real Estate or equivalent(s) or designee shall maintain adequate inventory controls and accountability systems for all Real Property under the Authority's control.
- 4.2 The Manager of Corporate ~~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 Manager of Corporate ~~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 Manager of Corporate ~~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 ~~PAAAPAL~~ 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 ~~PAAAPAL~~. 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 ~~PAAAPAL~~ 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 ~~PAA~~APAL.
- 5.7 The ~~Director of~~Manager Corporate Real Estate or equivalent(s) or designee shall provide all relevant documentation to the Environmental Division for the purposes of determining, if applicable, whether the Disposal of Real Property is in compliance with the State Environmental Quality Review Act, and for whether it adheres to the American Society of Testing and Material's guidelines for Environmental Site Assessments, if applicable.
- 5.8 No Authority employee who is involved in the award of Authority grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or

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

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

of procurement that is not competitive, **or** 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure (“eligible contract”), must be reported in advance of execution to the OSC. Upon execution, all such eligible contracts must be filed with the OSC within 60 days.

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

VI. **AUTHORITY REAL PROPERTY REPORTS**

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

6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Manager of Corporate ~~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 ~~Manager of Corporate 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 ~~PAAAPAL~~ 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 ~~HR and~~ Enterprise Shared Services or the equivalent(s) may prepare and present ongoing reports regarding the Disposal of Real Property.

VII. APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD

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

GUIDELINES

AND

PROCEDURES

FOR THE

ACQUISITION OF REAL PROPERTY

BY THE NEW YORK POWER AUTHORITY

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

I. PURPOSE

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

II. DEFINITIONS

2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be responsible for enforcement of the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Vice President - Enterprise Shared Services, or the equivalent(s), or designee.

2.2 “Acquisition” or “Acquire” shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

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

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

III. COMPLIANCE OVERVIEW

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

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

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

IV. DUTIES OF THE MANAGER CORPORATE REAL ESTATE

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

Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

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

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

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

V. ETHICAL CONSIDERATIONS

5.1 No Authority employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation

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

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

VI. ACQUISITION REPORTS BY THE AUTHORITY

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

- 6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Manager Corporate Real Estate shall furnish a report for incorporation in the Authority's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Authority for the Real Property, and (b) a description of the total amounts of Real Property purchased without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the

counterparties, and (iii) where the price for the Real Property purchased exceeds Fair Market Value, a detailed explanation of the justification for making the purchase without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such purchase and determined that it complies with applicable law.

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

GUIDELINES

AND

PROCEDURES

FOR THE

ACQUISITION OF REAL PROPERTY

BY THE NEW YORK POWER AUTHORITY

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

I. PURPOSE

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

II. DEFINITIONS

2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be responsible for enforcement of the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Vice President - Enterprise Shared Services, or the equivalent(s), or designee.

2.2 “Acquisition” or “Acquire” shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

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

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

III. COMPLIANCE OVERVIEW

3.1 These Guidelines are being adopted consistent with the Public Authorities ~~Accountability Act~~Law (“~~PAA~~APAL”).

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

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Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

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

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

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

V. ETHICAL CONSIDERATIONS

5.1 No Authority employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation

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

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

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



Title: Attendance and Flexible Hours

Document Type: Employee Policy

Document Number: EP 4.6

Revision Date: 11/1/2016

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

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

Attendance and Flexible Hours

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
11/1/2016	11	All employees maintaining a “meets expectations” or better performance review rating are eligible, at management’s discretion, for flex time schedule participation unless an employee’s grade/title falls within the established exceptions.	5.3	Rani Pollack Director, HR & Employee Relations
		Clarified- More than one absence in a pay period disqualifies flex time schedule participation during that pay period.	5.3	
		Work from home section added with associated parameters	5.5	
3/18/2016	10	Uploaded information to a new format. This policy had nine (9) revisions under the old format.	N/A	Rani Pollack Director, HR & Employee Relations
		Defined- flexible hours and flex time schedules	3	
		Deleted- section requiring employees to be present on their last day of work. This verbiage is duplicated in the “Separation from Service” policy.	5.2	
		Clarified- In order to participate in flex time schedules during a given pay period, employees must not be absent two days or more in a given payroll period.	5.3	

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

		Added- Employees' participation in the flex time schedule is contingent on satisfactory job performance and is at managers' discretion.	5.3	
		Added- Employees' pre-scheduled absence on the day of an emergency closing will remain as planned when requested off.	5.4	

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

1 PURPOSE AND SCOPE

To ensure an efficient and productive work environment, this policy establishes hours of daily work, workweek, flexible hours, punctuality guidelines, and guidelines for reporting to work in the event of inclement weather, transportation or other emergency situations for Management employees. The work hours, workweek and lunch schedules may vary at different NYPA work locations.

2 APPLICABILITY

This policy applies to all Management employees. 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.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EAP- Employee Assistance Program

EMC- Executive Management Committee

FLSA- Fair Labor Standards Act

Flexible hours- The daily hours of work may vary based on department needs. The typical workday may begin anytime between 7:00am and 9:30am.

Flex time schedules- A pre-arranged work schedule approved by management allowing an employee to take one day or a half day off within the pay period when an employee works their required hours within that same pay period.

Management- Non-union employees

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

4 RESPONSIBILITY

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

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

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5 POLICY IMPLEMENTATION

5.1 Work Hours and Workweek

5.1.1 If an employee works in the White Plains or Albany Office:

- a) The 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 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 2:00 pm, unless adjusted by an employee's supervisor, and generally ranges between 30-60 minutes.

5.1.2 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 Management employees, the 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 7:00am and 9:00am.
- b) The 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.
- c) Management employees' mealtime shall be determined by the Regional Manager or the person otherwise responsible for the work location.

5.1.3 Management 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 exempt employees are paid a base 80 hours per pay period, regardless of the scheduled hours in the period. Non-exempt employees are paid for the hours they worked.

- c) Pay for exempt employees scheduled hours is at straight time inclusive of Holiday, Sick, Vacation, etc. [See EP 2.4 Management 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 exempt employees on 12 hour shift, holidays are adjusted to the equivalent hours based on the 12 hour days. [E.g. if there are 14 eight-hour holidays in the holiday schedule, Management employees on 12 hour shift will be adjusted to 9 twelve-hour holidays and 1 eight-hour floater.]
 - e) Holidays that do not fall on a scheduled day in the rotation are moved to the nearest scheduled day. It is at supervisor's discretion as to whether or not the employee has to work this day or take the holiday based on available coverage.
- 5.1.4 The payroll period for a workweek at some locations may be Thursday through the following Wednesday, or Sunday through the following Saturday.

5.2 Punctuality Guidelines

- 5.2.1 Employees are expected to report for and remain at work during the daily hours as established by the applicable employing department or location except for meal periods.
- 5.2.2 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 prior approval by his/her manager or supervisor.
- 5.2.3 When an employee is late, he/she should communicate with his/her supervisor to discuss the reason for the tardiness. Lateness is not charged against sick, vacation or floating holidays unless a half day or more is taken.
- 5.2.4 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.

5.3 Flex Time Schedules

In an effort to offer employees work-life balance solutions, NYPA offers flex time schedules to allow one day or a half day off within a two week pay period as follows:

- a) All employees maintaining a "meets expectations" performance review rating or better are eligible, with management's discretion, for flex time schedule participation except employees in grades 12 and above.

- b) Employees can only take one full day or one half day off within the pay period when an employee works their required hours within that same pay period. All flex days must be recorded in the time and attendance system.
- c) Employees requesting participation in the program must submit a schedule indicating the hours to be worked as well as his/her flex time period to his/her manager for pre-approval, reference and planning. If 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).
- d) 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. Employees' participation in the flex time schedule is contingent on satisfactory job performance and is at managers' discretion.
- e) The work schedule of an employee holding a position designated as non-exempt under the FLSA cannot exceed 40 hours in any given week as a result of an employee working an approved flex time schedule. If overtime is incurred **as a result of working flex time**, the employee's flex time privileges may be suspended or revoked at management's discretion. Employees must obtain prior approval before working overtime (see EP 2.4).
- f) All employees, including those working a flex time schedule must take at least a half hour lunch period.
- g) 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).
- h) Employees who participate in a flex time schedule may have one absence from work (such as sick, vacation, floating holiday, holiday, jury duty, FMLA, etc.) during a pay period. More than one absence in a pay period disqualifies flex time schedule participation during 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.

5.4 Office Closing Due to Inclement Weather or Emergencies

- 5.4.1 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 emergency notification system.
- 5.4.2 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 President and Chief Executive Officer or their designee, will contact the EMC members to advise them of the decision to close. EMC members should then notify their respective staffs.

During non-work hours, employees may call the NYPA emergency notification system for office closing announcements.

- 5.4.3 Employees with a pre-scheduled absence on the day of an emergency closing will remain as planned when requested off.
- 5.4.4 If an employee expects to be late due to inclement weather, difficult transportation conditions or any other reason, he/she must notify his/her supervisor of the expected arrival time as soon as possible.
- 5.4.5 If an employee decides not to come to work due to inclement weather, his/her immediate supervisor must be notified as soon as possible. In that instance, the absence must be charged to an employee's accumulated vacation time or floating holidays (accumulated sick time cannot be charged).

5.5. Work from Home

Work from home instances may be considered in certain circumstances, on a limited basis such as when a manager requests it based on business needs, travel arrangements or mutually agreed upon by an employee and his/her department manager; or mandated by an approved reasonable accommodation request (see CP 1-4).

5.6 Records of Attendance

Records of attendance shall be maintained for all employees at all NYPA locations through completion of a time report, which is documented through NYPA's time and attendance tracking system. Supervisors or their designees must approve all time entries before such entries are transmitted to Payroll.

6 VIOLATIONS

Falsification of any records of attendance may result in disciplinary action up to and including termination.

7 REFERENCES

- 7.1 EP 2.4 Management Non-Exempt and Facility-Based Exempt Overtime
- 7.2 EP 4.2 Performance Improvement
- 7.3 CP 1-4 Reasonable Accommodation in Programs and Services for People with Disabilities

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document. **Revision Cycle: Every Other Year**

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	11/1/2016
Executive Owner	Pollack, Rani	11/1/2016
Content Owner	Bodolato, Diana	11/1/2016



Title: Education Assistance Program

Document Type: Employee Policy

Document Number: EP 3.6

Revision Date: 5/13/2016

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

Executive Owner: Kalashian, Steven
VP HR & Organizational Development

Content Owner: Raps-Beckerman, Helene
Employee Development Manager

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

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

Education Assistance Program

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	11	Clarified which employees are eligible	2, 5.1	[Helene Raps-Beckerman] [Employee Development Manager]
		Added additional definitions and clarified eligible courses/institutions	3	
		Clarified reimbursement for courses taken during FMLA Medical Leave	5.1.5	
		Allow employees to receive 100% reimbursement for education relating to any NYPA career field. Reimbursement limit no longer based on seasons, reimbursement allotment now has calendar year maximum; reimbursement allowed for individual course or courses that lead to a degree program	5.2	

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

1 PURPOSE AND SCOPE

The Authority is committed to helping its management employees pursue professional growth and development. It encourages the use of the Education 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.

2 APPLICABILITY

This policy applies to all eligible full-time or part-time salaried Authority employees and transitional employees who have been employed by NYPA for 6 months; and 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”, or are on personal leave 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.

Provisional employees, temporary employees, interns, cooperative employees, contingent workers, consultants, independent contractors, 1099 workers, and developmental interns are not eligible for the Education Assistance Program. (See EP: 3.1, Salaried Employees’ Eligibility for Benefits, for definitions of employee categories.)

This policy does not apply to education or certifications paid for through an employee’s respective department.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Certificate Program – 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.

CLEP – College Level Examination Program

Management employee – a salaried non-union employee

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION

5.1 Eligibility

In order to be covered by the Education Assistance Program, the degree or certificate/certification program must be obtained from an institution accredited by the Department of Education. Courses that are not part of a degree or certificate program

are not covered by the Education Assistance Program; those costs may be covered by individual Business Unit budgets. Education assistance from an institution accredited by the Department of Education must either support or improve skills required for:

- (1) the employee's current position; or
 - (2) a potential future assignment with the Authority.
- 5.1.2 An employee is not eligible to be reimbursed for education assistance if the classes end after the employee is terminated. An employee must be a NYPA employee before the class or program begins and must be employed on the last day of the approved class or program.
- 5.1.3 All course work and class attendance must be outside an employee's normal working hours. 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.
- 5.1.4 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.
- 5.1.5 Courses started prior to an approved FMLA medical leave are eligible for reimbursement at the discretion of an employee's immediate supervisor, Human Resources, and Law. Approval for courses started during an approved FMLA medical leave will not be unreasonably denied.

5.2 Reimbursement for Expenses

- 5.2.1 Employees are responsible for payment of tuition and 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 (pass/fail reimbursement is limited to two courses per degree curriculum). If requested, Human Resources will provide a school with verification of an employee's eligibility for the program. For employees that are approved for Education Assistance as of the effective date of this policy, reimbursements are based on a calendar year maximum as follows:
- 1. Certificate/Certification programs \$5,000
 - 2. Undergraduate programs \$10,000
 - 3. Graduate Programs \$15,000

- 5.2.2 For all courses, the Authority will reimburse 100% of tuition, books, lab and computer fees, and mandatory course registration fees up to the maximum annual reimbursement. Employees who receive financial aid, such as a scholarship, grant or reimbursement from any alternate source must report it and the amount on the Education Assistance Program Reimbursement Request Form. This amount will be deducted before computing the allowable reimbursement.

5.3 Reimbursement to the Authority

All benefits under this Policy are dependent upon the employee maintaining employment with the Authority for the education assistance commitment period. This commitment period is a continuous period of at least one year for undergraduate degree programs, two years for graduate programs, and 6 months for certificate programs. The commitment period will commence at the end of the program.

If the employee leaves the Authority's employment before the end of the commitment period (for a reason other than a reduction in force), the employee must repay in full all monies expended by the Authority on behalf of the employee in connection with this policy for the applicable degree or certificate program.

5.4 Tax Consequences

- 5.4.1 For undergraduate and graduate level courses and certificate/certification, the IRS allows the first \$5,250 in employer-provided education assistance in a calendar year to be considered as non-taxable income. Education 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 education assistance qualifies for exclusion as a working condition benefit.
- 5.4.2 While the Authority may initially determine that an employee's education 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.

6 VIOLATIONS

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 Education Assistance Program eligibility. Any falsification or misrepresentation of information will result in the denial of education assistance.

7 REFERENCES

- 7.1** IRS Publication 15-B Employer's Tax Guide to Fringe Benefits
7.2 Education Assistance Procedure EP-Pro 3.6

8 POLICY REVIEW AND EXPIRATION

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

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Kalashian, Steven	5/13/2016
Content Owner	Raps-Beckerman, Helene	5/6/2016



Title: Employee Assistance Program

Document Type: Employee Policy

Document Number: EP 3.5

Revision Date: 5/4/2016

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

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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

Employee Assistance Program

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

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/4/2016	5	Uploaded information to a new format. This policy had four (4) revisions under the old format. Contingent workers are not eligible If an employee refuses to comply with a mandatory EAP referral, the employee may be subject to disciplinary action up to and including termination of employment.	N/A 2.4 6.0	Brenda Verdesi, Manager, Benefits

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

1 PURPOSE AND SCOPE

The Authority provides the Employee Assistance Program (EAP) as a confidential counseling, assessment and referral service that can help employees and their family members with issues such as stress and anxiety, mental and emotional problems, alcohol and drug dependencies, marital and family problems, legal and financial issues, childcare, adult care and work related problems.

2 APPLICABILITY

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

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EAP- Employee Assistance Program

MRO- Medical Review Officer

4 RESPONSIBILITY

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

5 POLICY IMPLEMENTATION**5.1 Confidentiality**

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

5.2 Referrals to EAP

- 5.2.1 Supervisors should NOT at any time attempt to diagnose an employee's condition.
- 5.2.2 When a less than satisfactory performance is identified by a supervisor and an employee's job performance or behavior does not improve through normal supervisory intervention, the employee may be encouraged by the supervisor to seek assistance through the EAP. If, however, a less than satisfactory job performance is due solely to a perceived or substantiated lack of capability, the manager should refer to the Performance Improvement policy, (EP: 4.2)
- 5.2.3 When a supervisor becomes aware of any unacceptable behavior (i.e., unusual or inappropriate behavior on the job) or if a supervisor is of the opinion that an employee may pose a hazard to himself/herself or other employees, the supervisor shall immediately contact Employee Relations. At the sites, the supervisor shall contact the Facility HR Manager. Employee Relations will arrange for a mandatory EAP referral if appropriate.
 - a) Following a supervisory referral, Employee Relations will contact EAP on behalf of the employee. The EAP will contact the employee and assess the situation. If needed, the EAP will make a referral to other outside resources for treatment. The EAP representative will notify Employee Relations that the employee has been contacted.

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- 5.2.4 If the employee is referred to the EAP and will require time away from work or cannot return to work, he/she may be placed on leave in accordance with the Authority's leave policies or applicable labor agreement. Employees placed on leave as a result of an EAP intervention must be cleared by the EAP, or another qualified medical provider, before returning to work.
- 5.2.5 Referral to or use of the EAP does not excuse employees from complying with Authority policies or from meeting expected job requirements and performance, during or after receiving assistance or treatment. Nor does referral to or participation in the EAP preclude the Authority from instituting appropriate disciplinary action or performance assessment of an employee.

5.3 Fitness for Duty Referral

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

6 VIOLATIONS

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

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7 REFERENCES

7.1 Fitness for Duty (EP 4.5)

7.2 Performance Improvement (EP 4.2)

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/4/2016
Executive Owner	Saslow, Karina	4/8/2016
Content Owner	Verdesi, Brenda	4/5/2016

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Title: Employee Background Investigations

Document Type: Employee Policy

Document Number: EP 1.10

Revision Date: 4/25/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Pizzo, Kristine
SVP HR & Enterprise Shared Services

Content Owner: Coles, Barbara
Director Recruiting

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Employee Background Investigations

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
4/18/2016	0	Original Issue		Barbara Coles Director, Recruiting

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

When making personnel decisions, a background investigation is vital to the selection process. The information collected is necessary to determine an applicant's overall employability and to promote a safe work environment for our current and future employees. It also helps us obtain information to ensure the protection of the Authority's physical property, proprietary information, and other assets. Background investigations will be in compliance with all applicable federal, state, and local laws including fair employment practices and equal employment opportunity.

2 APPLICABILITY

Offers of employment are contingent upon successful completion of pre-employment requirements, which include a comprehensive background investigation for full-time, part-time, intern, and temporary hires. All employees are subject to background investigations every seven years, including employees requesting or having unescorted physical or logical access to Bulk Electric System cyber assets in compliance with the NERC CIP Reliability Standards. This policy may also be applicable to other candidate screening (aptitude test, drug screening, etc.) as the Authority deems appropriate.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

ADA – The Americans with Disabilities Act of 1990 is a law that was enacted by the U.S. Congress in 1990 that is intended to protect against discrimination based on disability.

CORRECTION LAW 23-a – prohibits an employer from unfairly discriminating against a person previously convicted of one or more criminal offenses.

FCRA – Fair Credit Reporting Act is U.S. Federal Government legislation enacted to promote the accuracy, fairness, and privacy of consumer information contained in the files of consumer reporting agencies.

NERC CIP – North American Electric Reliability Corporation Critical Infrastructure Protection is a set of requirements designed to protect the cyber assets whose loss, compromise, or misuse could have an impact on the reliable operation of North America's Bulk Electric System.

The Fair Chance Act – makes it illegal for most employers in New York City ("NYC") to ask about the criminal record of job applicants before making a conditional job offer. Applications and interview questions cannot include inquiries into an applicant's criminal record. This law also requires that NYC employers follow the Fair Chance Process when taking adverse actions based upon applicants' criminal records.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

Background Investigation

5.1 Process for Pre-employment Hiring

A background investigation will be conducted on every applicant regardless of the position for which they are applying after a formal offer of employment has been accepted. The applicant must complete all sections of the employment application including education, current and prior employment history within the last seven years, and criminal history, when applicable. In some instances, credit history will be verified for positions with fiduciary responsibilities.

The Human Resources department will use a third party vendor to initiate and conduct background investigations after an applicant has consented and signed the Authorization & Disclosure form. The chosen candidate is not to begin work prior to the satisfactory completion of the background check and receiving final approval from Human Resources.

If a decision is made not to hire a candidate based on the results of a negative or incomplete background investigation, there may be certain additional Fair Credit Reporting requirements as noted in section 5.3 Adverse Actions. The Human Resources representative will be responsible for handling such FCRA requirements as necessary with advisement from the Law Department – HR & Labor Relations. Once a business decision is made, Human Resources will notify the candidate and the hiring manager of the final determination.

The background investigations will be conducted by a retained third party vendor in compliance with all applicable federal and state statutes, such as the FCRA and the ADA Act.

5.2 Background Investigations Leads are subject to:

- a. ***Social Security Trace and Address History** confirms address history and social security number provided by applicant and is used to identify jurisdictions where applicable searches below will be conducted.
- b. ***Criminal**
 - **Federal** - Felony and misdemeanor searches for criminal convictions and pending prosecutions, through the respective federal courts in those jurisdictions reported in the SSN trace for the previous seven to 10 years.
 - **County** - Felony and misdemeanor searches for criminal convictions and pending prosecutions through the respective county courts where the individual has lived, worked, or was educated in the past seven years.

- **National wide** - Search of multi-jurisdictional database compiled from state and county criminal record databases. Sources include court records, incarceration records, prison/inmate records, probation/parole/release information, arrest data, sex offender registries, and wants and warrants.
- c. **Education** confirms highest degree obtained including applicants claimed institution, years attended, and the degree/diploma received.
- d. **Prior Employment** confirms verification of employment history as reported by the applicant for the last 7 years. Results include verification of dates of employment, position held, and salary/wages. Current employment will be verified only if the applicant provides authorization.
- e. **Professional License/Certificate** verifies applicable licensing or issuing body for confirmation of membership.
- f. **Motor Vehicle** reports the current status of an individual's license, including traffic violations, failure to appear, and unpaid fines. This search will be mandatory for authorization to drive company fleet vehicles and/or when driving is an essential requirement of the position.
- g. **Credit History** provides a snapshot of financial history, including information regarding delinquent accounts; accounts sent to collection, maximum credit limits available, court judgments, bankruptcies, and liens. This search will be run for positions with fiduciary responsibilities that require the management of the Authority's funds and/or handling of cash.
- h. ***Global Watch Lists**: Results obtained from a search of over 170+ databases covering U.S. and foreign regulatory sanctions, enforcement and watch lists as provided by U.S. and foreign governments and international organizations. Sources include, but are not limited to, the Office of Foreign Assets Control Specially Designed Nationals List, Bank of England Consolidated List, European Union Consolidated List, FBI and Interpol Most Wanted Lists, and other international fraud and Politically Exposed Persons databases.

*NERC CIP 7 year's background leads for current employees are denoted by an asterisk

5.3 Adverse Actions

The term "adverse action" is defined very broadly by Section 603 of the FCRA. Adverse actions include all employment actions affecting applicants that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying employment or promotion. For any type of adverse action, as defined by the FCRA, based at least in part on information contained in a consumer report, such as a background check, Section 615(a) of the FCRA requires that the applicant be notified when adverse actions are taken.

- In the event of a pre-adverse finding, before the Authority takes adverse action, it must give the applicant a pre-adverse action letter that includes a copy of the applicant's background check and a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act". Current or prospective employees will have 10 calendar days in which to provide a written response to Human Resources. Upon receipt of such written response, the Background Investigation Review Committee, comprising of members from Human Resources, Law Department – HR & Labor Relations, and Physical Infrastructure Security departments will discuss the findings and render a business decision in consideration of the pre-adverse data in accordance with NYS Correction Law Article 23-a (and follow the Fair Chance Process as required under the NYC Fair Chance Act for candidates who are employed in New York City).
- After an adverse action has been taken for employment outside of NYC, the Authority must give the applicant notice in writing that the action has been taken. The notice must include:
 - i. The name, address, and toll-free telephone number of the background check vendor.
 - ii. A statement that the background check vendor did not make the adverse decision and is not able to explain why the decision was made.
 - iii. A statement setting forth the applicant's right to obtain a free disclosure of their information from the background check vendor if that request is made within 60 days.
 - iv. A statement setting forth the applicant's right to dispute directly with the background check vendor accuracy or completeness of any information provided by the background check vendor.

5.4 Protection of Personal Information

NYPA assures applicants that all information collected through the background investigation process will only be used as part of the employment process and kept strictly confidential and protected against unauthorized access, use, or disclosure of information, or properly disposing of such information.

5.4.1 NYPA adheres to laws established for the protection of personal information, including:

- Public Officers Law, Article 6-A, Personal Privacy Protection Law
- Public Authorities Law Article 5, Title I
- Fair Credit Reporting Act

5.5 Record-Keeping

The background completion date and overall finding “adverse yes” or “adverse no” will be uploaded in the HRIS/SAP system. The HRIS representative will periodically notify the HR Facility managers and the White Plains HR Coordinator when a background check is up for renewal, every seven years.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

EP 1.2 Recruitment and Job Posting policy

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	4/25/2016
Executive Owner	Pizzo, Kristine	4/25/2016
Content Owner	Coles, Barbara	4/25/2016



Title: Employee Personnel Records

Document Type: Employee Policy

Document Number: EP 5.1

Revision Date: 3/4/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Archer, Lilla
Manager HRIS

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Employee Personnel Records

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
3/4/2016	3	Converting to new format, there were two (2) prior revisions of this Procedure	N/A	Lilla Archer Manager HRIS
		Clarified Responsibilities	4	
		Streamlined content of descriptions, added reference to electronic sources of data	5.1.4	
		Clarified history of management performance reviews and added Written Disciplinary Letter to list of documents.	5.1.4f	
		Clarified confidentiality/access to records	5.2.1	

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

- 1.1** This policy establishes guidelines for the preparation, maintenance, updating, and accessing of all employee personnel records.
- 1.2** It is the policy of the Authority to preserve the privacy of each employee and former employee through proper maintenance, use, and release of information contained in these records. This information is considered confidential business records, and is the property of the Authority. All records are maintained in accordance with applicable New York State and Federal Laws.

2 APPLICABILITY

This policy applies to all employees of the New York Power Authority.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

HRIS – Human Resources Information Systems

Management Employees – non-bargaining unit NYPA employees.

MyPageNYPA – Refers to a NYPA secure web-based intranet portal to the employee's own digital record in NYPA's official employee database.

MOSAIC – The Authority's cloud based Talent Management system.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

HRIS owns the overall management guidelines for employee personnel records.

Facility HR and HRIS for White Plains are responsible for maintaining employee personnel records and access.

5 POLICY IMPLEMENTATION

5.1 Employee Personnel Records

- 5.1.1** Once an individual has been hired; an employee personnel record is established and maintained in the Human Resources Department.
- 5.1.2** The employee personnel record contains information about an employee's service with the Authority. This information is contained in both electronic and paper form.

5.1.3 Over the course of employment, an employee is responsible for notifying Human Resources of changes in name, address, phone number, marital status, and/or emergency contacts. Access to review and change name, address, contact information, notification in case of emergency is available to employees via MyPageNYPA – Personal Information.

5.1.4 Employee personnel records will be maintained as follows:

- a) Employee Contact Information – contains name, address, contact information, notification in case of emergency.
- b) Employee History
 - Employment history summary sheet
 - Hire documentation – resume, application, offer letter, written copy of verification of prior employment history if applicable and education verification of educational attainment
 - Employee status change forms affecting promotion, demotion, transfer, changes in compensation including annual salary program
 - Resignation letter
 - Background checks
 - Benefits records
 - Exit interview and checklist if available
 - Any union Apprentice agreements and step progression communications
 - Leave of Absence – a copy of email notification with leave of absence start and/or end date is kept in files (*no medical documentation*)
 - Access to current salary information is also available to employees via MyPageNYPA – Career and Job/Employee Profile
- c) Education
 - Certificates of course completion
 - Degrees
 - Licenses
 - Access to current education/certification information is also available to employees via MyPageNYPA – Career and Job
 - As of 2015, Full training records are available to employees via MOSAIC – Learning module
- d) Insurance/Retirement:
 - Retirement enrollment form
 - Retirement system communications (Tier change letters, etc...)
 - Benefits Confirmation Statement showing benefits elections is available to employees via MyPageNYPA.

e) Miscellaneous

- Orientation Checklist
- Employee invention agreement
- General safety rule declaration

f) Performance Reviews

- For management employees, performance documents after 2014 are retained in MOSAIC's performance module and are accessible to employees at any time. 2014 and prior performance documents are retained in the employee file. Previous to revision 13 of the Corporate Records Retention Schedule dated 8/7/2009 only the most recent three Performance Documents were maintained.
- Recognition letters.
- Performance award letters
- Any union evaluations
- Written disciplinary letters approved by Employee Relations Unit for management employees or in accordance with the collective bargaining agreements at the sites for union employees. Should documentation have an expiration, files should be monitored to ensure such documents are promptly removed upon expiration.

5.1.5 Employee Personnel Records do not include information such as employee relations matters, immigration, utilization of medical or Employee Assistance Program information.

5.1.6 Benefits Plan utilization data is available only from the respective Benefit Vendors.

5.1.7 I-9 Employment Eligibility Verification forms and any other immigration related documents or communications are maintained as a separate record.

5.2 Confidentiality

5.2.1 Employee personnel records are confidential business records and access is restricted to supervisory, human resources, Affirmative Action Officers and legal personnel on an as needed basis, consistent with business necessity. Employees may request access as described in sections 5.2.3 through 5.2.5 below.

5.2.2 All employee personnel records must be secured from unauthorized access.

5.2.3 The Authority will release information in its Employee Records only in response to legitimate authorized inquiries as described in sections 5.2.4 and 5.2.5 of this policy. All verifications and requests for information are handled by Human Resources Employee Services in White Plains or the Facility HR and Facility Labor Relations Representatives in HR at the sites who will work with HRIS, Payroll and other interested parties to respond to the request.

5.2.4 Unless otherwise required by law, employees must authorize in writing the release of the following information:

- a) employee's current status (active or inactive, last date of employment)
- b) date of hire
- c) job title
- d) salary
- e) location

5.2.5 In the following instances, disclosure of information may exceed that outlined above:

- a) In response to a legitimate request by a properly identified law enforcement authority;
- b) Pursuant to a statute or regulation requiring such disclosure;
- c) In response to a lawfully issued summons, judicial order, search warrant, discovery request, subpoena, or written authorization from the employee;
- d) Pursuant to a collective bargaining agreement providing for disclosure to the individual bargaining representative.

5.3 File Review

5.3.1 If an active employee wants to review any portion of their personnel records then he/she should contact the Human Resources Information Systems Manager at headquarters or the Facility HR Managers or Facility Labor Relations Representative in HR at the site. Upon request, employees will be given the opportunity to review their Employee Records. The Human Resources Information Systems Manager at headquarters or the Facility HR Managers or Facility Labor Relations Representative in HR at the site should acknowledge and grant requests within a reasonable period of time.

5.3.2 Employee Records will be reviewed in the presence of the Human Resources Information Systems Manager, the Facility HR or Facility Labor Relations Representatives in HR at the site or their designees.

5.3.3 The examination of records should be at a time and place mutually agreeable to the employee and the Human Resources representative. The records must remain in the possession of the Human Resources representative and will be reviewed jointly with the employee. Employees may obtain copies of any portion of their Employee Records, but may not alter, modify, or remove any original items contained in the file. Employees may provide a written request to the Human Resources Information Systems Manager at headquarters or the Facility HR Managers or Facility Labor Relations Representative in HR at the site to have their record amended or corrected in whole or in part. Review of their employment files by Bargaining Unit employees

should follow the process negotiated in the contract. If an employee's request to review his/her personnel record is denied, an employee may appeal the decision in writing to the Authority's General Counsel.

5.4 Departmental Employee Files

- 5.4.1 A Department manager may only maintain within the Department those record copies which may be necessary to perform supervisory functions.
- 5.4.2 With the exception of sections 5.2.4 and 5.2.5, access to such departmental employee files should be strictly limited so that those without authorized access or "need to know" are not able to access these records. This is the responsibility of the personnel record holder.

5.5 Retention of Information

- 5.5.1 Retention is governed by the Corporate Records Retention Schedule. At the end of each year, Employee Records of individuals who are no longer employed by the Authority must be forwarded to the Digital Warehouse of Technology & Innovations Department in the White Plains Office. The items contained in such files are limited to the items listed in Section 5.1.4 of this policy. Facility HR or Facility Labor Relations Representatives in HR at the site and HRIS personnel are to review such files for their respective locations to ensure conformity to Corporate Records Retention Schedule and bargaining unit retention schedule for disciplinary letters before sending them to the Digital Warehouse for archiving. HR personnel should seek guidance from the Human Resources Department Head, or designee for the proper disposition of any other personal information that they may have of a separated employee.
- 5.5.2 Employee Records must be retained in accordance with the applicable Corporate Records Retention Schedule.

6 VIOLATIONS

N/A

7 REFERENCES

Corporate Records Retention Schedule – maintained by the Digital Warehouse and available on the PowerNet

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/6/2016
Content Owner	Archer, Lilla	5/6/2016



Policy Title:
Family and Medical Leave Act (FMLA)

Policy Number:
EP 3.3

Page:
1 of 12

Title: Family and Medical Leave Act (FMLA)

Document Type: Employee Policy

Document Number: EP 3.3

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Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.*

Family and Medical Leave Act (FMLA)

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/16/2016	4	Contingent workers are not eligible Clarify which provisions of policy apply to Management and Union Renamed Newborn/Adoption Leave to Parental Leave and clarified definition Clarify definition of qualifying exigency military family leave Include domestic partners in policy Added definition of Extended Medical Leave and 1,250 Hours Worked Clarify that all references to FMLA time period are 12 weeks, not 3 months Add intermittent Parental leave for management employees Reference to CP 1-11 Reasonable Accommodation Policy Clarify wording of deductions and credits Moved vacation donation to Vacation policy EP 3.2	2.2 2.4 3.0 3.0 3.0 3.0 Various sections 5.2.3 b 5.6.3 5.9	Karina Saslow, Director, Total Compensation & HRIS

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This policy applies to all employees at all New York Power Authority (NYPA or “the Authority”) 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.

2 APPLICABILITY

- 2.1** To be eligible for FMLA leave, an employee must have been employed directly by the Authority for at least 12 months and must have worked at least 1,250 hours during the previous 12 months.
- 2.2** Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority’s payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.
- 2.3** In all cases, qualifying time absent, whether paid or unpaid, will be applied toward the maximum 12-week FMLA time period. The use of sick time, vacation, floating holidays, salary continuation, short term or long term disability, no pay, or Workers Compensation does not alter the status of the leave as FMLA leave, extend the FMLA leave, or extend any Authority provided job security periods.
- 2.4** The majority of this policy applies to both Management and employees covered under a Collective-Bargaining Agreement. However, the following provisions of this policy only apply to Management unless otherwise noted: Domestic Partners; intermittent Parental Leave; Sections 5.8.2; 5.8.4; 5.10.1; 5.10.2. Bargaining Unit employees are directed to their Human Resources Facilities Manager and the applicable Collective Bargaining Agreement or Benefit book.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Type of Leaves Covered Under the FMLA

Employee Medical Leave (“EML”) – An employee’s qualifying “serious health condition” that makes an employee unable to perform the functions of his or her position is eligible for EML. EML may be work related or non-work related.

Family Medical Leave (“FML”) – To care for an employee’s spouse/domestic partner, child, or parent (not parent-in-law) who has a qualifying “serious health condition”.

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Parental Leave - An employee may take leave for the birth of a child and to bond with the newborn child within one year of birth. An employee may also take Parental Leave in connection with the birth, to bond 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.

Military Family Leave ("MFL") (see Section 5.4) – To care for a covered service member if the employee is the spouse/Domestic Partner, child, parent or next of kin of the covered service member.

Qualifying Exigency Military Family Leave ("QEL") (see Section 5.5) – To take care of certain qualifying exigencies arising when a spouse/domestic partner, parent, or child, who is a member of the Armed Forces (including the National Guard and Reserves) has been called to, or is on, active duty.

Other Initialisms and Definitions

Designated Human Resources Representative (HR) – The NYPA representative responsible for overseeing and approving FMLA leaves at each site.

Domestic Partner – A domestic partnership, whose eligibility documentation has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria, prior to the first date of FMLA leave.

Extended Medical Leave – An employee who has exhausted their 12 weeks of FMLA and requires additional medical leave for their own personal illness, can request a reasonable accommodation for an extended medical leave for up to 6 months.

Management – Refers to NYPA non-bargaining unit employees.

Non-Exempt Employee – one whose job duties do not meet the established tests for exemption under certain wage and hour laws of the Fair Labor Standards Act (FLSA), as enforced by the U.S. Department of Labor.

Reduced Work Schedule - 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.

Serious Health Condition - An illness, injury, impairment or physical or mental condition that involves inpatient care or continuing treatment by a health care provider.

FMLA 1,250 Hours Worked – Time actually worked for the Authority, including overtime hours worked, in the 12 months immediately preceding the start of Family and Medical Leave is counted towards the 1,250 hours. Time not actually worked, including vacation, sick leave, floating holidays, salary continuation, short or long term disability, workers' compensation, or paid or unpaid leave of any kind, is not counted towards the 1,250 hours.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

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5 POLICY IMPLEMENTATION**5.1 Eligibility**

- 5.1.1 Eligible employees may receive up to a total of 12 weeks of unpaid FMLA leave in a 12-month period calculated as the 12-month period measured forward from the date of an employee's first FMLA leave usage. 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.
- 5.1.2 Military Family Leave qualifies eligible employees to receive up to a combined total (with any other FMLA leave) of 26 weeks in a single 12-month period.

5.2 Time off for an FMLA Covered Event

- 5.2.1 Employees that are absent from work for more than five consecutive or intermittent business days, may receive up to a total of 12 weeks of unpaid time off in a 12-month period (see 5.1.1) for EML, FML, or Parental Leave.
- 5.2.2 Military Family leave and Qualifying Exigency Military leave have different criteria and eligibility standards See sections 5.1.2, 5.4 and 5.5.
- 5.2.3 Leave may be taken on a consecutive, intermittent or reduced work schedule basis as provided by the health care provider on the certification.
 - a. EML or FML leave on an intermittent basis or reduced work schedule can be taken in either full or half days. For FLSA non-exempt employees intermittent leave may be taken in fifteen (15) minute increments, on a non-regular basis, because of a single qualifying reason.
 - b. Parental Leave may be taken as consecutive leave. Management employees may also take Parental Leave on an intermittent basis in full or half day increments only.
 - c. If an employee needs leave intermittently or on a reduced leave schedule, then the employee must make a reasonable effort to schedule leave so as not to unduly disrupt the Authority's operations.
- 5.2.4 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 5.8.3 and 5.8.6). If an employee on FML has no sick or vacation credits or floating holidays, or elects not to apply accrued credits, non-worked hours will be unpaid.
- 5.2.5 After three consecutive months of EML, and after all required accrued sick leave and salary continuation has been exhausted, a Management employee may be eligible for benefit payments under the 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 HR and refer to their applicable Collective Bargaining Agreement and Benefit book for information on their benefits.

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- 5.2.6 Management employees eligible for Parental Leave should refer to EP 3.10 for details on time off benefits. For employees covered under a Collective Bargaining Agreement (“CBA”), Parental Leave will be without pay unless the employee chooses, and receives approval, to use accrued vacation time.

5.3 Notification/Certification

- 5.3.1 When the need for FMLA leave is foreseeable, an employee should notify his/her supervisor or Designated Human Resources Representative (HR) at least 30 days in advance of the start date of the intended leave, or as soon as it is practicable. 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.
- 5.3.2 FMLA leaves can only be approved by a Designated HR Representative. Once approved, FMLA leave is applied retroactively to the first day of absence.
- 5.3.3 When absences exceed five business days for an FMLA covered event, the employee or their supervisor should provide notification to HR, at which point the FMLA process will be initiated for eligible employees. The following documentation is required:
- a. Employees applying for EML or FML must complete the applicable Certification of Health Care Provider form signed by a health care provider.
 - b. Employees applying for Parental Leave must submit a birth certificate or adoption/foster placement paperwork. Documentation from an agency or attorney verifying such placement of a child must be submitted to HR within 15 business days or as soon as practicable.
 - c. Employees applying for Military Family Leave must complete a Certification of Serious Injury or Illness of Covered Service Member form signed by a health care provider.
 - d. Employees applying for Qualifying Exigency Military Family Leave must complete the Certification of Qualifying Exigency for Military Family Leave form.
- 5.3.4 It is the employee’s responsibility to see that the applicable Certification is completed, and returned to the Authority within 15 calendar days from the date that the employee receives the Certification form from HR. 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, an HR, 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 the Authority seeks to speak to the health care provider directly to obtain or discuss medical information related to the Certification, the employee must provide his/her doctor a HIPAA authorization allowing the Authority to do so.
- 5.3.5 The employee’s request for FMLA leave may be denied in the event that an employee fails to provide: a) a Certification, b) timely remedy of deficiencies in a Certification, or c) a HIPAA

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authorization when requested as necessary for his/her health care provider to provide medical information directly to the Authority.

- 5.3.6 Recertification of the need for FMLA leave may be required at various intervals, but generally not more often 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.
- 5.3.7 Employees returning to work from an Employee Medical Leave must provide HR 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 from EML without sufficient written medical documentation.

5.4 Military Family Leave (“MFL”)

- 5.4.1 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 service member while on covered active duty in the Armed Forces.
- 5.4.2 A covered family member is a spouse/domestic partner, son, daughter, parent or next of kin. A covered service member 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 service member became a veteran.
- 5.4.3 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 service member. 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.
- 5.4.4 Such leaves may be on a consecutive basis, intermittent or a reduced schedule basis, as detailed by the health care provider on the Certification.
- 5.4.5 Employees must utilize accrued sick time first until sick leave accruals are exhausted. Employees may then request and utilize any accrued floating holidays (Management only), vacation or other accrued paid time off (see Section 5.8 below) or be placed on no-pay status.
- 5.4.6 In all cases, time absent, whether paid or not, will be applied toward the applicable 26-week FMLA time period.

5.5 Qualifying Exigency Military Family Leave (“QEL”)

- 5.5.1 An employee who is a spouse/domestic partner, son, daughter, or parent of a covered service member called to, or on, covered active duty in regular or reserve components of the Armed Forces during a deployment of the service member to a foreign country may take up to 12 workweeks of leave during any 12 month period for a “qualifying exigency.”
- 5.5.2 Reasonable documentation of family relationship may be required.

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- 5.5.3 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.
- 5.5.4 Leaves for Qualifying Exigencies shall be unpaid, unless the employee requests and is given permission to use accrued vacation time, floating holidays (Management only) or other accrued time off (excluding sick time).
- 5.5.5 In all cases, time absent, whether paid or not, will be applied toward the applicable 12-week FMLA time period.

5.6 Job Security for Employees While on FMLA or Extended Medical Leave

- 5.6.1 When an 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 12 weeks 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 12 week period.
- 5.6.2 If a department intends to fill a position held by someone on FMLA leave (other than qualifying Military Family Leave) at any time after the expiration of the 12 week job security period, the employee’s supervisor must notify site/headquarters HR and the employee of this intent.
- 5.6.3 For all FMLA leaves other than Military Family Leave, any extended leave beyond the 12 weeks 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 HR and the Affirmative Action Officer, prior to informing the employee of the approval of the extension. Reasonable accommodations will be considered according to CP 1-11. 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. If no such appropriate position is available, a position will not be created. If the employee is unable to return to work at the conclusion of six months, the employee will be advised that his/her continued employment has been terminated.
- 5.6.4 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. If the employee is unable to return to work at the conclusion of six months, the employee will be advised that his/her employment has been terminated.
- 5.6.5 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

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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.

5.7 Workers' Compensation

- 5.7.1 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.
- 5.7.2 In such cases, employees have the option of applying unused accrued sick and/or vacation time to their first 12 weeks of absence from work. The employee must complete a "Use of Vacation/Sick Accruals" form (provided by HR) 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.

5.8 Payroll Status While on FMLA Leave

- 5.8.1 Depending on the particular type of leave and an employee's individual circumstances, an employee may be eligible for income while on a FMLA leave through sick leave (see EP 3.9), salary continuation (see EP 3.10) for Management employees only, vacation leave (see EP 3.2), short term disability for bargaining unit employees, workers' compensation, and/or long term disability, or all or part of a FMLA leave may be unpaid.
- 5.8.2 Management 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.
- 5.8.3 An employee on an FMLA leave who wants to use their accrued vacation or floating holiday time to cover any part of that leave must make a request to HR. Without notification, accrued vacation or floating holiday time will not be automatically applied.
- 5.8.4 Management employees: 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. Employees on unpaid status or salary continuation on the day prior to a holiday will not be paid for the holiday.
- 5.8.5 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.

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- 5.8.6 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.

5.9 Deductions and Credits

- 5.9.1 Applicable benefits and associated payroll deductions (taxes, flexible benefit credits, benefit deductions, Powerflex, waive coverage stipend, NYS Retirement System contributions, Voluntary Defined Contribution Plan contributions, Employees' Savings Plan contributions, Deferred Compensation Plan contributions, loans, Liberty Mutual insurance, other insurance, etc.) will continue while an employee is out on any qualified FMLA leave and is still receiving compensation from the Authority. 5.9.2 Deductions are prioritized by the Payroll Department. Any questions concerning the priority of deductions should be addressed to the Payroll Department and/or Human Resources.
- 5.9.3 Benefits while on a no pay status – Employees have the following options:
- An employee can pay their applicable contributions to the Authority monthly during their leave on an after-tax basis. Management employees contact HR to make payment arrangements. Bargaining unit employees should contact the HR Department for appropriate no pay status form; or
 - An employee can arrange with HR and Payroll to pay back any missed deductions when he/she returns to work. Deductions will be doubled per pay period until all of the missed deductions have been made up. Powerflex deductions must be paid in the same calendar year; or
 - The Authority's obligation to maintain benefits coverage 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.
 - Bargaining Unit employees' payments will be based on their benefit elections and applicable contractual contribution.

5.10 Benefits Coverage Period

- 5.10.1 Management 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.
- 5.10.2 A Management employees 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 5.6.5. If the employee has 10 or more years of service with the Authority and is collecting Long-Term Disability (LTD) payments (see the Employee Benefits Handbook for Management Employees for LTD eligibility criteria), their medical coverage will be continued at a cost to them. The cost will be based on flex credits, minus the cost of the medical plan.

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- 5.10.3 Bargaining unit employees should contact HR and refer to their applicable Collective Bargaining Agreement and Benefit book for benefit coverage period during leaves.

6 VIOLATIONS

Employees attempting to obtain, or obtaining, FMLA leave by fraudulent means, shall be denied the utilization of paid time for time out of work, the restoration of their job or any other job at the Authority and may be subject to disciplinary action up to and including termination of employment.

7 REFERENCES

- 7.1 CP 1-11 Reasonable Accommodation Policy
- 7.2 Employee Benefits Handbook for Management Employees
- 7.3 EP 3.2 Vacation Policy
- 7.4 EP 3.9 Sick Leave Policy
- 7.5 Collective Bargaining Agreement or Benefit book
- 7.6 EP 3.10 Management Salary Continuation Policy
- 7.7 Certification of Health Care Provider
- 7.8 Certification of Serious Injury or Illness of Covered Service Member
- 7.9 Certification of Qualifying Exigency for Military Family Leave

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/16/2016
Executive Owner	Saslow, Karina	5/13/2016
Content Owner	Verdesi, Brenda	5/13/2016

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Title: Fitness for Duty

Document Type: Employee Policy

Document Number: EP 4.5

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Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

Fitness for Duty

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	2	Uploaded information to a new format. This policy had one (1) revision under the old format.	N/A	Brenda Verdesi, Manager Benefits
		Clarify policy is only for Management Employees.	2	
		References to IBEW and contractors was eliminated	Various	
		Labor & HR unit of the law department consulted on violations	5.8	
		Incorporate Compassionate Care Act regulation to policy	5.10 & 5.11	

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1 PURPOSE AND SCOPE

The purpose of this policy is to support the New York Power Authority's (Authority) commitment to maintain a safe working environment, to make provisions for the safety and health of our employees at their place of employment, to preserve the public confidence placed in us and our employees, and to comply with applicable laws and regulations. The Authority expects each employee to be fit for duty at all times while on the job and requires that all managers and supervisors enforce this policy.

2 APPLICABILITY

This document states the Authority's policy concerning the minimum requirements for Fitness for Duty for all Authority management employees. Additional requirements must be met for Niagara Icebreaker captains and engineers who are subject to random drug and alcohol testing and for those who are subject to for cause testing under Coast Guard regulations. The U.S. Department of Transportation (DOT) also requires certain drug and alcohol testing on Authority employees who operate commercial motor vehicles on Authority business. To the extent this policy is silent on a particular subject and/or conflicts with the terms of a site policy, the site policy shall prevail.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Definitions are provided to explain medical and legal terminology that establishes the criteria and processes set forth in this policy.

Alcohol - Alcohol, spirits, liquor, wine, beer, cider, and every liquid or solid patented or not, containing alcohol, spirits, wine or beer.

Authority Property - Any premises, facilities, offices, or property owned or leased by the Authority including Authority vehicles.

Blood Alcohol Concentration (BAC) - A measure of the mass of alcohol in a volume of blood in an individual's body which can be measured directly from or derived from a measure of the concentration of alcohol in a breath specimen.

Criminally Charged - When an individual has been arrested or issued a summons for a felony or misdemeanor defined in the Penal Law, or in Section 1192 of the Vehicle and Traffic Law, or in any other statute, rule or regulation relating to the use, possession, distribution, or sale of drugs or alcoholic beverages, but not including a criminal accusation of such individual which is not then pending or which was followed by termination of that and all related criminal action or proceedings in favor of such individual.

Illegal Drugs - Those controlled substances enumerated in Reference 5.3 (Article 220 Penal Law of the State of New York), and including without limitation: narcotic drugs, hallucinogens, hallucinogenic substances, and controlled stimulants and depressants. For purposes of this policy, illegal drugs shall also include marijuana and methadone.

Impairment - Alteration of the alertness, judgment, sensory perception, equilibrium, or state of consciousness of a person in a manner adversely affecting psychological or physiological functions.

Management Employees – non-bargaining unit NYPA employees.

Medical Evaluation - an evaluation conducted on behalf of the Authority which would include, at a minimum, an evaluation of vital signs and a test for the presence of alcohol, substances of abuse, and other drugs designated by the Authority's Medical Director.

Medical Professional - an individual certified by the State of New York to perform certain medical functions. Depending on the services required, the individual may be a physician, registered nurse, counselor, paramedic, laboratory technician, or other health professional.

Positive Test - Except in instances of a return to work or a random or unannounced periodic test for specific job functions, the Authority considers an alcohol test positive when through breath analysis, an individual is reported as having a .05 blood alcohol concentration level (BAC) or higher. Where DOT rules apply, the applicable regulation will be followed to detect the presence of alcohol. In instances of a return to work or unannounced periodic tests, the Authority considers an alcohol test positive when through breath analysis an employee has any detectable BAC.

Drugs - An employee is considered to test positive for drugs if the analysis of the urine specimen indicates a detectable presence of a prohibited drug at the concentration level listed below. All Authority drug tests will be confirmed and verified prior to the imposition of any disciplinary action.

Urine samples will be screened for the following substances (where DOT rules apply, the applicable regulation will be followed to detect the presence of prohibited drugs):

Screenings - Initial Test	Cut Off Levels (ng/ml)
Marijuana Metabolites	50
Cocaine Metabolites	300
Opiate Metabolites	2,000
Phencyclidine	25
Amphetamines	1,000

All specimens identified as positive on initial test shall be confirmed by GC/MS (gas chromatography/mass spectrometry) at the following cutoff levels:

Marijuana Metabolites	15
Cocaine Metabolites	150
Opiates	
Morphine	2,000
Codeine	2,000
6-Acetylmorphine	10
Phencyclidine	25
Amphetamines	

Amphetamine	500
Methamphetamine	500

Substances of Abuse - Any substance other than a controlled substance covered by section 19.03 (1) of the Mental Hygiene Law and including without limitation, non-controlled substances such as stimulants, depressants, sleeping medicines, inhalants, and other acting on the mind psychotropic substances which may render an individual unfit for duty.

Reasonable Belief - An opinion which a prudent person would form based on observation or testimony from credible sources. Observation includes, but is not limited to what a supervisor saw, heard, or smelled, and testimony would include statements from credible sources, which may include another supervisor, employee, contractor, or visitor. Reasonable belief must be specifically directed to behavioral observations of a specific person or persons and be based on specific articulable and logical facts that when taken together with rational inferences from these facts and/or that information, would warrant a cautious person to believe a Fitness for Duty policy violation occurred. Objective factors that must be examined and taken into consideration in determining reasonable belief are:

- the nature of the information;
- the reliability of the person or source providing the information;
- the extent of any confirmation; and,
- any other factors contributing to the belief or the lack thereof.

4 RESPONSIBILITY

The Human Resources Department Head delegates the responsibility for implementation and coordination of this policy at the White Plains and Albany offices to the Director of HR and Employee Relations and to Facility HR or Labor in coordination with the Regional Manager at the facilities.

5 POLICY IMPLEMENTATION

- 5.1** All employees are required to come to work fit for duty at all times. If a manager believes an employee is unfit for duty at any time or if a supervisor is of the opinion that an employee may pose a hazard to himself/herself or other employees, then he/she must contact Employee Relations in the WPO and/or Facility HR at the site.
- 5.2** No employee shall report to work under the influence of illegal drugs, alcoholic beverages, or substances of abuse. Further, no employee shall possess or consume alcoholic beverages (except as provided in 5.6 below), controlled substances, or substances of abuse, unless prescribed by a physician, at any time on Authority property or elsewhere when carrying out Authority responsibilities.
- 5.3** Employees who report to work under the influence of illegal drugs, alcoholic beverages, or substances of abuse or who possess or consume illegal drugs, alcoholic beverages or un-prescribed substances of abuse on Authority property may receive disciplinary action

up to and including termination of employment. Further, any employee criminally charged with using, possessing, distributing, or selling illegal drugs on or off duty may be subjected to disciplinary action, up to and including termination of employment.

- 5.4** Employees who consume or use physician prescribed drugs or "over-the-counter" medications which may affect their ability to perform their assigned duties in a safe and efficient manner must inform their supervisor prior to the start or resumption of work.
- 5.5** The possession of alcoholic beverages in the employee's personal vehicle on Authority property is not prohibited by this policy provided such possession is in compliance with state and local laws. Possession of opened alcoholic beverages at employee work stations/location, including lockers, desks, cabinets, etc. is prohibited and violation may lead to disciplinary action up to an including termination.
- 5.6** Employees may consume in moderation, alcoholic beverages at Authority-sanctioned events provided the President or his designee has authorized the serving of alcoholic beverages. Inappropriate or irresponsible behavior at an Authority-sanctioned event, which a supervisor reasonably believes has been caused by the consumption of alcoholic beverages, may lead to disciplinary action up to and including termination.
- 5.7** In the event there is a reasonable belief that an employee has violated this policy, prior to the initiation of an investigation by Employee Relations, site HR or site Facility Labor representative, the Labor & HR unit of the law department shall be consulted on the investigation in connection with such violation which may include a physical search of an employee or a search of an employee's personal property found or stored on Authority premises. All Authority property, including but not limited to, vehicles, shelves, lockers, desks, offices, file cabinets, or other repositories are Authority assets and employees should have no expectation of privacy in such property. Thus, the Authority may inspect or search such property at its discretion. In such instances, an employee's failure to cooperate fully may lead to disciplinary action up to and including termination.

Prior to an employee being directed to undergo testing for the presence of drugs or alcohol, Employee Relations, site HR or site Facility Labor representatives must review the basis for the testing with the Labor & HR unit of the Law Department to ensure reasonable cause exists for the testing.

- 5.8** Clinically accepted drug and alcohol tests may be required when there is a reasonable belief of drug/alcohol use. In such instances, an employee's failure to cooperate fully may lead to disciplinary action up to and including termination.
- 5.9** Employees with drug, alcohol or other problems are encouraged to request assistance voluntarily through the Authority's Employee Assistance Program (see EP 3.5 Employee Assistance Program). While voluntary participation in the Employee Assistance Program may not result in disciplinary action by the Authority, such participation shall not prevent the Authority from taking actions for other violations under investigation, including investigations under this policy, or which may subsequently occur, nor does participation relieve the employee of the responsibility for performing assigned duties in a safe and efficient manner.

- 5.10** Employees shall at all times ensure that their use of medications or other substances lawfully prescribed under New York State law, do not interfere with the performance of their jobs. Employees may request a reasonable accommodation (see CP 1-11) by contacting the Authority's Affirmative Action Officer.

6 VIOLATIONS

The unlawful possession, distribution, sale, or use of illegal drugs, drug paraphernalia, and the misuse or abuse of controlled substances, and/or alcoholic beverages is prohibited during working hours on and off company premises. Violations may lead to disciplinary action up to and including termination

7 REFERENCES

- 7.1** Reference 5.3 (Article 220 Penal Law of the State of New York)
- 7.2** Mental Hygiene Law
- 7.3** Penal Law, or in Section 1192 of the Vehicle and Traffic Law
- 7.4** EP 3.5 Employee Assistance Program
- 7.5** CP 1-11 Reasonable Accommodation Policy for Applicants and Employees with Disabilities

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/6/2016
Content Owner	Verdesi, Brenda	5/6/2016



Title: Leaves of Absence

Document Type: Employee Policy

Document Number: EP 3.4

Revision Date: 5/13/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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Leaves of Absence

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	8	Uploaded information to a new format. This policy had seven (7) revisions under the old format	Various	Brenda Verdesi, Manager, Benefits
		Contingent workers are not eligible	2.2	
		Changed wording from Salaried to Management.	Various	
		Clarify minor wording in policy	Various	
		Simplified approvals for leaves under this policy	Various	
		Added Leave of Absence Request Form	5.0	
		Streamlined process for personal leave with/without pay	5.5	
		Employees can use floating holidays to cover leave time	5.5.2	
		Added reasonable accommodation language	5.5.9	

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This policy provides the requirements for a New York Power Authority (Authority) management employee to take one of the following leaves of absence:

- leave due to death in the family,
- military leave,
- leave for jury duty, personal leave, or paid volunteer time.

2 APPLICABILITY

- 2.1** This Policy applies to full and part time permanent, transitional and provisional management Authority employees (as defined in EP: 3.1). Unless specified below, Temporary Employees (as defined in EP: 3.1) are not eligible for such paid leave.
- 2.2** Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.
- 2.3** This policy does not apply to leaves under FMLA. See EP 3.3.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

FMLA- Family and Medical Leave Act

PVT- Paid Volunteer Time

Immediate Family - 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 requirements (even if not subscribed to NYPA Domestic Partner medical benefits). Refer to the Flexibility Plan Overview of Employee Handbook on the HR intranet site.

Management –non-bargaining unit NYPA employees

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

Employees requesting a leave of absence must submit a Leave of Absence Request Form 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. The Leave of Absence Request Form is available on the Powernet: Human Resources\Benefits\Benefits Forms\Miscellaneous.

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, then the request must be forwarded to Employee Relations or Facility HR for approval.

5.1 Leaves Due to Death In The Family

- 5.1.1 The Authority provides eligible employees three (3) days of paid leave at the employee's base salary rate, when there is a death in an employee's immediate family.
- 5.1.2 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.
- 5.1.3 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 3), or if an employee intends to take more than the three days provided for in this policy.

5.2 Military Leave

- 5.2.1 If an eligible employee is a member of the National Guard or the reserve personnel of the federal uniformed services he/she will be allowed up to 30 workdays leave of absence per calendar year, with full pay, for military service.
- 5.2.2 Documentation of appropriate military orders must be provided prior to the commencement of the leave with as much advance notice as possible.
- 5.2.3 Upon return from leave, the Payroll Department must receive a copy of the appropriate military orders.
- 5.2.4 Authorized military leave is paid at an employee's base salary.
- 5.2.5 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.

5.3 Leave For Jury Duty

- 5.3.1 The Authority provides eligible employees a paid leave of absence for the time needed to fulfill jury duty service. All classifications of temporary management employees (as defined in EP: 3.1) are entitled to a leave of absence due to jury duty as required by law.
- 5.3.2 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.
- 5.3.3 The employee is expected to report to work to the extent reasonably practicable when jury duty requires only part of the day.
- 5.3.4 Upon return from jury duty, the employee must furnish his/her supervisor with a copy of the jury duty summons or similar documentation.
- 5.3.5 Employees are paid for all days served on jury duty at their base salary in effect upon commencement of leave.

5.4 Pay Status Of Authority Employee Subpoenaed As A Witness

- 5.4.1 If any management 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 for time away from work at his/her base salary.
- 5.4.2 In all other circumstances, e.g., when an employee initiates an action in court or some administrative forum, or appears as a witness in a matter unrelated to the Authority or for activities outside the scope of his/her Authority responsibilities, vacation or floating holiday time must be charged for any absence in connection with that appearance.

5.5 Personal Leave

- 5.5.1 A leave of absence, other than a leave covered under policy EP 3.3 Family Medical Leave Act, such as medical, military, or 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.
- 5.5.2 Before an employee is placed on personal leave without pay, he/she must exhaust all accumulated vacation and floating holiday time. Accumulated sick leave credits may not be used for personal leave purposes.
- 5.5.3 Job security while on personal leave without pay will be considered by the respective department in consultation with the Business Unit and SVP of Human Resources or its designee. Such approvals will be consistent with business necessity and will not be unreasonably denied.

- 5.5.4 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 calendar days or less. The employee will be required to pay his/her employee contributions during a personal leave without pay of 30 calendar days or less. If a personal leave without pay is granted for a period of more than 30 calendar 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.
- 5.5.5 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 unpaid period of the leave. Service credit will resume upon an employee's return from leave.
- 5.5.6 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.
- 5.5.7 When an employee is on personal leave without pay, he/she will not receive holiday pay if a holiday occurs during the leave.
- 5.5.8 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 Facility HR, 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.
- 5.5.9 Employees can request a reasonable accommodation by contacting the Affirmative Action Officer. Reasonable accommodations will be considered according to CP 1-11.

5.6 Paid Volunteer Time (PVT)

- 5.6.1 In order to support the efforts of permanent full-time, management employees (as defined in EP: 3.1) who give their time to communities and charitable organizations, the Authority provides two days of paid volunteer time (PVT) annually.
- 5.6.2 Employees must be actively at work to participate. Employees on a leave of absence are not eligible for Paid Volunteer Time.
- 5.6.3 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.

- 5.6.4 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.
- 5.6.5 If an employee is seeking to take a PVT day, he/she must submit a PVT Request Form to his/her supervisor and the Chief Ethics and Compliance Officer, indicating the organization he/she will be volunteering for, the type of activity, and the date of the PVT. The PVT Request form is available on the Powernet: Human Resources\Benefits\Benefits Forms\Miscellaneous. The Chief Ethics and Compliance Officer will 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 and the Chief Ethics and Compliance Officer.

The Authority cannot approve requests for certain activities/projects, including, but not limited to, those which:

- a) pose a potential conflict of interest for the Authority;
 - b) are not aligned with the Code of Conduct or our corporate values;
 - c) may involve the Authority in controversial issues;
 - d) pose safety or security risks to employees (e.g. clean-up work at a disaster site);
 - e) involve construction or remodeling work not under the supervision of a trained professional;
 - f) include any type of volunteer activity not under the supervision of an eligible charity;
 - g) consist of fundraisers for individuals rather than registered charities;
 - h) benefit charities with the sole purpose of providing support to a named individual or a named family;
 - i) influence legislation or involve electing candidates to public office;
 - j) involve religious programs of churches, temples, mosques, or other sectarian organizations;
 - k) are programs offered by clubs, fraternities/sororities, or membership associations; or
 - l) involve attendance at school social or sporting events.
- 5.6.6 The volunteer 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 will be vetted through the Chief Ethics and Compliance Officer in accordance with the U.S. Patriot Act.

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1** Family & Medical Leave Act (EP 3.3)
- 7.2** Management Employee Categories and Eligibility for Benefits (EP 3.1)
- 7.3** Flexibility Plan Overview of Employee Handbook
- 7.4** Paid Volunteer Time Request Form
- 7.5** Leave of Absence Request Form

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/12/2016
Content Owner	Verdesi, Brenda	5/12/2016



Policy Title:
**Management Employee Categories and Eligibility
for Benefits**

**Title: Management Employee Categories and Eligibility
for Benefits**

Document Type: Employee Policy

Document Number: EP 3.1

Revision Date: 5/13/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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requirements pertaining to NYPA.*

Management Employee Categories and Eligibility for Benefits

Management Employee Categories and Eligibility for Benefits

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	9	Contingent workers are not eligible	2.0	Brenda Verdesi Manager, Benefits
		Change wording from Salaried to Management	Various	
		Clarify wording of Definitions and Classifications	3.0	
		Update Eligibility for 401(k) Plan	5.1	
		Provide more details of retiree eligibility & benefits offered	5.2 and 5.3	

Management Employee Categories and Eligibility for Benefits

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS** where you will find a statement which pertains to all Employee Policies including this one.

1 PURPOSE AND SCOPE

This policy defines the various categories of management Authority employees and the benefits available to each category. Classification of exemption status is determined based on the job requirements in accordance with the Fair Labor Standards Act, as enforced by the U.S. Department of Labor.

2 APPLICABILITY

This policy applies to all management Authority employees.

Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management – non-bargaining unit Authority employees

Full-time – Employees who work at least 37½ hours per week and who are paid directly by the Authority. Full-time employees can be classified as Permanent, Transitional, or Provisional. The Business Unit or Department determines the work week schedule of 37½ or 40 hours per week.

Part-time – Part time status is granted in the following cases:

- a) Permanent employees that have worked full-time for a minimum of one year, and whose status has changed from full-time to part-time without a break in service (employment with the Authority has not been terminated); and who works a minimum of 20 hours per week, but less than 37½ or 40 hours (as applicable) and who are paid directly by the Authority.
- b) Temporary employees hired on a part-time basis (minimum of 20 hours/week, but less than 37½ or 40 hours/week) for a specific position or assignment and who are paid directly by the Authority.

Classifications

- 3.1 Permanent Employees** – employed on full time or part time basis, paid directly by the Authority and have no pre-determined employment time limit.
 - a) **Transitional position** – Permanent employees who work full-time to fill an anticipated vacancy in another Authority position within a designated time-frame up to one year.
- 3.2 Provisional Employees** – Work full-time for a specific project or assignment for a period that is expected to last at least one year, but not more than three years and who are paid directly by the Authority.

Management Employee Categories and Eligibility for Benefits

- 3.3 Temporary Employees** – Employed for a period of not more than one year (from date of hire) and are paid directly by the Authority. Requests to extend employment for an additional period beyond one year must be received and approved by headquarters Human Resources Department Head and the Budget Department.

Additional categories of Temporary Employees include:

- a) Temporary Intern – employed on a full-time or part-time basis for a specific position or assignment, not to exceed six months in a given calendar year.
- b) Developmental Intern – employed on a full-time or part-time basis while enrolled in an accredited college or university in a curriculum related to the temporary assignment at the Authority. Additional guidelines apply to Developmental Interns under the Human Resources Developmental Intern Program.
- c) Cooperative– employed on a full-time basis while enrolled full-time at an accredited college or university in a work/study or cooperative education curriculum and who receives credits towards his/her course of study.
- d) Returning Retiree – employees who have retired from the Authority and are rehired as a temporary employee to transition work or perform a specific project based on their unique experience, knowledge or skills, for a period not to exceed one year.
 - i. Any requests to hire an Authority retiree (including Authority retirees who have suspended their pensions) must be approved by the President & Chief Executive Officer, Business Unit Head, SVP Human Resources & Enterprise Shared Services and VP, and Chief Ethics & Compliance Officer. The justification and the request for approval must contain documentation of the need to obtain the services of that individual and indicate that the returning retiree's compensation (i) will be set at her or his most recent Authority hourly rate of pay [no benefits] and (ii) will not exceed the applicable annual earnings limitation contained in the New York State Retirement and Social Security Law (NYSRSSL) or other applicable laws.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Benefits For Active Employees

Employees are eligible for the following benefits based on their category as defined in Section 3. For more detailed information about the applicable employee benefits as listed above, please refer to the Employee Benefits Handbook on the PowerNet.

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**Management Employee Categories and
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Flexibility Benefits				
	Permanent Full-time	Permanent Part-time	Provisional	Temporary
Medical	Eligible	Eligible	Eligible	If determined to be a "full-time equivalent" under the regulations of the Patient Protection and Affordable Care Act (PPACA), eligible as required by Federal Law
Dental; Vision; Hearing; Group Legal, Flexible Spending Accounts, Accidental Death & Dismemberment Insurance; Accident Expense Plan; Cancer Protection Plan	Eligible	Eligible	Eligible	Not Eligible
Employee, Spouse, Child Life Insurance	Eligible	Eligible – Employee life insurance is based on pro-rated pay	Not Eligible	Not Eligible
Long Term Disability Insurance	Eligible	Eligible – based on pro-rated pay	Not Eligible	Not Eligible
Long Term Care	Closed to new participants	Closed to new participants	Closed to new participants	Not Eligible
Flex Credits	Eligible	Eligible – based on a reduced flat amount	Eligible – based on a reduced flat amount	Not Eligible

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Policy Title:

Management Employee Categories and Eligibility for Benefits

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Other Benefits				
	Permanent Full-time	Permanent Part-time	Provisional	Temporary
Educational Assistance Program	Eligible	Eligible – pro-rated based on the number of hours worked per week	Not Eligible	Not Eligible
Employee Assistance Program	Eligible	Eligible	Eligible	Eligible
Vacation Leave	Eligible	Eligible – pro-rated per EP 3.2	Eligible – per EP 3.2	Not Eligible
Sick Leave	Eligible	Eligible – pro-rated per EP 3.9	Eligible – per EP 3.9	Not Eligible
Holidays	Eligible	Eligible – if work less than a full day (as applicable to their respective job location) are eligible for compensation for holidays based on the number of hours worked per day. However, if an employee works less than a full week, and a holiday falls on a day an employee is not scheduled to work, he/she will not be paid for that day.	Eligible – except for holidays that fall on a day not schedule to work	Not Eligible – unless work on a holiday

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Retirement Benefits				
	Permanent Full-time	Permanent Part-time	Provisional	Temporary
Employees' Savings Plan	Eligible	Eligible	Eligible	Eligible after completing at least 1,000 Hours of Service in a Plan Year
Deferred Compensation Plan	Eligible	Eligible	Eligible	Eligible
New York State & Local Retirement System or Voluntary Defined Contribution Plan (for certain Tier 6 employees)	Mandatory Membership	Optional Membership – service credit is pro-rated based on the number of hours worked per week	Mandatory Membership	Optional Membership if period of employment is less than one year. Membership is mandatory for a full-time temporary employment that exceeds one year.

5.2 Eligibility for Benefits in Retirement

- 5.2.1 To qualify for Authority Retiree Benefits, you must be a Permanent Full-Time Authority Employee as defined in Section 3.1. Provisional, part-time, or temporary employees are not eligible for retiree benefits.
- 5.2.2 You must meet Authority service requirements in chart below; employees who were rehired by the Authority or transferred New York State service (see EP 1.9).
- 5.2.3 You must retire from the Authority and immediately collect retirement benefits from the New York State and Local Retirement System (if you are a member of Tiers 1 through 6).
- 5.2.4 Employees who participate in the New York State Voluntary Defined Contribution Plan must be age 55 and meet the criteria in 5.2.1 and 5.2.2.
- 5.2.5 Employees who were rehired or were direct transfers are required to complete service requirements under EP 1.9.

5.3 Benefits offered in Retirement

The Authority offers the following benefits in retirement: retiree medical coverage; post-retirement life insurance; Medicare Part B reimbursement; and the Employee Assistance

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Management Employee Categories and Eligibility for Benefits

Program. Details of the options are available in the Retiree Benefits Guide on the Powernet.

5.4 Cost of Retiree Medical Benefits

	Employee Hired/Rehired Before 01/01/2016		Employee Hired/Rehired on or After 01/01/2016
	Employee Retires on or before 01/01/2019	Employee Retires after 1/1/2019	
Retirement Eligibility*	10 Years of service	10 Years of service	15 Years of service
Retiree Contribution to Medical Coverage**	No contribution to any medical plan	No contribution if enrolled in the NYPA Plan. If enrolled in another plan, your contribution is 50 percent of the difference between the active employee contribution to the NYPA PPO Plan and the plan you enrolled in.	Retiree contribution is 50% of the active employee contribution

* The retirement eligibility refers to medical, life insurance, and Medicare Part B reimbursement benefits.

**The “active contribution” will be based on your enrollment (e.g. single or family coverage).

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1 EP 1.9 Transfer or Re-Employment in Public Service
- 7.2 EP 3.2 Vacation
- 7.3 EP 3.9 Sick Leave
- 7.4 Employee Benefits Handbook
- 7.5 Retiree Benefits Guide

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

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Management Employee Categories and Eligibility for Benefits

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Saslow, Karina	5/6/2016
Content Owner	Verdesi, Brenda	5/6/2016



**Management Non-Exempt and Facility-Based
Exempt Overtime**

**Title: Management Non-Exempt and Facility-Based
Exempt Overtime**

Document Type: Employee Policy

Document Number: EP 2.4

Revision Date: 5/24/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: McDonnell, Robyn
Senior Compensation Specialist

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Policy Title:
**Management Non-Exempt and Facility-
Based Exempt Overtime**

Policy Number:
EP 2.4

Page:
2 of 8

**Management Non-Exempt and Facility-
Based Exempt Overtime**

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/24/2016	12	Updated document to the new format. This policy had 11 prior revisions under the old format.	N/A	Robyn McDonnell Sr. Compensation Specialist
		Replaced "Salaried" with "Management"	Throughout	
		Clarification of Exempt Eligibility, inclusion of Customer Load Forecasting	2.2	
		Removed section pertaining to Exempt Employees temporarily assigned to a Facility	5.2.6 & 5.3.2	
		Addition of FLSA	6	

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Management Non-Exempt and Facility- Based Exempt Overtime

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS** where you will find a statement which pertains to all Employee Policies including this one.

1 PURPOSE AND SCOPE

- 1.1 This policy provides for the payment of overtime to eligible Authority employees (see *Eligible Employees* below). It permits the Authority to:
- a) comply with the Fair Labor Standards Act;
 - b) provide additional compensation to certain exempt positions for ensuring the safe and efficient generation and transmission of electricity during specified overtime events;
 - c) provide some relief for pay compression between bargaining unit employees and first line supervisors; and
 - d) manage overtime costs.
- 1.2 Eligible overtime is scheduled, authorized and approved time worked in excess of the normal workweek, under predetermined conditions related to specific Authority or facility requirements, priorities, special projects, or to maintain safe operating conditions.

2 APPLICABILITY

- 2.1 Non – Exempt Eligible Employees:
- a) All management non-exempt employees are eligible for non-exempt overtime as required by the wage and hour laws of the Fair Labor Standards Act, as enforced by the U.S. Department of Labor.
- 2.2 Exempt Eligible Employees:
- a) First Line Supervisors — management exempt employees with a job category of Supervisor at the facilities whose job is to supervise union employees or the equivalent at non-union facilities, may be eligible for exempt overtime compensation.
 - b) Facility-based management exempt individual contributor employees in grades up through 09 (I/U/X) may be eligible for exempt overtime compensation.
 - c) Management exempt individual contributor employees working in the Trading Room on a 24/7 shift, management exempt individual contributor Fuel Buying/Gas Scheduling positions supporting the Traders, management exempt individual contributor Transmission System Operators working at the Energy

Management Non-Exempt and Facility- Based Exempt Overtime

Control Center (ECC), and management exempt individual contributor Customer Load Forecasting (CLF) Analysts supporting the NYISO energy bidding process and customer energy demands, may be eligible for exempt overtime compensation despite location or grade.

- d) Headquarters management exempt employees, physically working at a facility as part of a specified temporary work project, and who are in grades 01 through 09 (I/U/X) may be eligible for exempt overtime compensation.
- e) Management exempt employees in grades 10 (I/U) and above are not eligible for overtime compensation under any circumstances other than First Line Supervisors as noted in 2.2 (b), and the Fuel Buyers, positions in the Trading Room, System Operators at the ECC, and the CLF Analysts as noted in 2.2 (c).

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

ECC – Energy Control Center

E-Week – A week during a rotating 12 hour shift schedule that permits a 32 hour week (4 - 8 hour days) to balance out the rotation.

Exempt Employee – one whose job duties meet the established tests for exemption under certain wage and hour laws of the Fair Labor Standards Act, as enforced by the U.S. Department of Labor. Exempt employees receive pay on a salary basis.

Facility-Based – employees whose location of record in SAP is not White Plains or Albany

Headquarters – employees whose location of record in SAP is White Plains or Albany

Individual Contributor – employees who do not have defined supervisory or managerial responsibility for other NYPA employees.

Management – all non-bargaining unit NYPA employees

Non-Exempt Employee – one whose job duties do not meet the established tests for exemption under certain wage and hour laws of the Fair Labor Standards Act, as enforced by the U.S. Department of Labor.

O&M Budget – Operations and Maintenance Budget

4 RESPONSIBILITY

- 4.1 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.

Management Non-Exempt and Facility- Based Exempt Overtime

- 4.2** 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.
- 4.3** The Business Unit Head is responsible for the prudent use of overtime within the parameters established by the approved O&M Budget.

5 POLICY IMPLEMENTATION

5.1 Non-Exempt Overtime

- 5.1.1** On those occasions when it is necessary for non-exempt employees to work in excess of their basic workweek [see Attendance and Flexible Hours policy (EP: 4.6)], all additional time worked must be directed and authorized in advance in accordance with Section 1.2 of this policy.
- 5.1.2** Notwithstanding the requirements of Section 5.1.1 above, under the Fair Labor Standards Act, all non-exempt employees who work in excess of their basic workweek must record and be paid for all time worked.
- 5.1.3** The rate of pay for non-exempt employees is as follows:
- a) Straight time for up to 40 hours in a workweek.
 - b) 1½ times the straight time equivalent hourly rate of the annualized salary for those hours worked beyond 40 hours in a workweek. Payment for time worked on a scheduled holiday will be paid at 1½ times the equivalent hourly rate.
- 5.1.4** Generally, time spent traveling on company business will not be counted as hours worked for overtime computation purposes.
- 5.1.5** For non-exempt employees, work time spent as a required or assigned participant in any training program, lecture, meeting or workshop, will be paid at the applicable rate of pay (Section 5.1.3) for that time period. Additional detail on non-exempt overtime reporting is available on the PowerNet under Human Resources – Compensation

5.2 Exempt Overtime

- 5.2.1** Time worked in excess of the normal workweek at an exempt employee's discretion will not be compensated. For eligible management exempt employees, all paid overtime must be approved in advance in accordance with Sections 1.2 and 5.3.
- a) For exempt employees on 12 hour shifts, overtime is any time outside the regularly scheduled shift, regardless of the number of hours in the shift. If the scheduled rotation results in greater than 40 hours per week over the course of the

Management Non-Exempt and Facility- Based Exempt Overtime

year (e.g., 3 day on/3 day off continuous rotation), then the additional hours over the regular 2,080 hours will be built in overtime. 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.

- 5.2.2 For management exempt employees in, or temporarily acting in, First Line Supervisor positions, approved overtime will be paid at 1½ times the hourly equivalent of the exempt employee's salary for hours of *actual supervision* of NYPA bargaining unit employees, or the equivalent. Similarly, Transmission System Operators and Day Ahead Traders approved overtime will be paid at 1½ times the hourly equivalent of their exempt salary for hours performing their primary duty. Any other overtime hours, if approved, will be paid at a straight time rate.
- 5.2.3 Eligible individual contributor employees may be paid for all hours worked, in accordance with section 1.2. Approved overtime will be paid at the straight time hourly equivalent of the exempt employee’s salary.
- 5.2.4 Exempt employees who are preapproved to work during a scheduled holiday will be paid at 1½ times the hourly rate for First Line Supervisors, and 1 times the hourly rate for non-supervisory employees for actual hours worked in addition to their normal straight time pay for the holiday.

5.3 Approval and Time Records

- 5.3.1 For eligible management exempt employees, an Overtime Approval form must be completed stating, at a minimum, the employee's name, period of time for which the overtime has been requested and approved, a brief description of the task, and the employee's basic workweek hours. Each operating facility may have a standard Overtime Approval form. These must be reviewed and approved (signed) by a Business Unit Head and/or Regional or General Manager, or designee, as appropriate. These records are retained by the applicable department or facility.
- 5.3.2 Payment for authorized overtime under the guidelines of this policy, where practicable, will be charged to the operating budget where the work is performed. The approved time report must clearly indicate the appropriate facility program code number to charge.
- 5.3.3 Payment to a management exempt employee for overtime that has not been specifically directed or authorized by those delegated the responsibility by this policy, will not be permitted under any circumstances. Issues with unauthorized non-exempt overtime will be addressed through the performance management process. [See Section 5.1 regarding treatment of non-exempt employees.]
- 5.3.4 This policy supersedes all prior policies and procedures regarding overtime for exempt and non-exempt personnel.

6 VIOLATIONS

N/A

7 REFERENCES

N/A

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

Policy Title:

Management Non-Exempt and Facility- Based Exempt Overtime

Policy Number:
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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/24/2016
Executive Owner	Saslow, Karina	5/24/2016
Content Owner	McDonnell, Robyn	5/24/2016



Title: Management Salary Continuation

Document Type: Employee Policy

Document Number: EP 3.10

Revision Date: 5/16/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Pizzo, Kristine
SVP HR & Enterprise Shared Services

Content Owner: Saslow, Karina
Director Total Compensation & HRIS

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

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Management Salary Continuation

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/16/2016	0	Original Issue	N/A	Karina Saslow, Director, Total Compensation & HRIS
		Incorporate sick at half-pay (from EP 3.9) into salary continuation policy.	Various	
		Incorporate paid Parental Leave into policy.	5.1	
		Effective date for Parental Leave Salary Continuation is January 1, 2016	5.1.1 b	

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This policy provides the requirements for a New York Power Authority (Authority) permanent or provisional full-time or part-time management employee (see EP 3.1) the potential benefit of salary continuation for the following Family and Medical Leave Act (FMLA) (see EP 3.3) covered leaves of absence:

- Employee Medical leave (EML)
- Parental leave

2 APPLICABILITY

- 2.1** Salary continuation applies only to Authority permanent or provisional, full-time or part-time, management employees on approved EML or Parental leave and does not apply any other type of FMLA Leave or personal leave.
- 2.2** To be eligible for Salary Continuation, an employee must have been employed directly by the Authority for at least 12 months and must have worked at least 1,250 hours during the previous 12 months.
- 2.3** Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Types of FMLA Leave Covered Under the Policy

Employee Medical Leave ("EML") – An employee's qualifying "serious health condition" that makes an employee unable to perform the functions of his or her position is eligible for EML. EML may be work related or non-work related.

Parental Leave – An employee may take leave for the birth of a child and to bond with the newborn child within one year of birth. An employee may also take Parental Leave in connection with the birth, to bond 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.

Other Initialisms and Definitions

Designated Human Resources Representative (HR) – The NYPA representative responsible for overseeing and approving FMLA leaves at each site.

Domestic Partner – Domestic partner whose eligibility documentation has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria,

Management – Refers to NYPA non-bargaining unit employees.

Reduced work schedule - 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.

Waiting period – The first five consecutive scheduled workdays during which the employee is absent from work.

FMLA 1,250 Hours Worked – Time actually worked for The Authority, including overtime hours worked, in the 12 months immediately preceding the start of Family and Medical Leave is counted towards the 1,250 hours. Time not actually worked, including vacation, sick leave, floating holidays, salary continuation, short or long term disability, workers' compensation, or paid or unpaid leave of any kind, is not counted towards the 1,250 hours.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Salary Continuation

- 5.1.1 Salary continuation is only available during the following qualifying FMLA periods and cannot exceed 12 weeks in a 12 month period.
- a. **Employee Medical Leave (EML)** - After exhausting all accrued sick time, NYPA Management employees are eligible to receive salary continuation at 50% of the employee's base pay per day during the covered FMLA period. Employees have the option of using vacation time and/or floating holidays instead of salary continuation.
 - b. **Parental leave** - An eligible employee must complete the five day waiting period and is required to use available sick accruals for the waiting period only. In the event the employee does not have sick accruals, the employee may substitute vacation time or floating holidays; otherwise, the employee is placed on unpaid leave status. After the initial five day waiting period, the employee is eligible for salary continuation at 100% of the employee's base pay for up to eleven (11) weeks in connection with the birth, adoption, or placement of a child in foster care, and must be taken within timeframe stated in Section 3.
- 5.1.2 If an employee who has already been on an approved FMLA leave, returns to work and then goes back out for another approved FMLA leave within the same 12 month FMLA period, the employee will only be eligible to receive salary continuation 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.
- 5.1.3 For part-time or provisional management employees that are less than full-time, salary continuation will be paid on a prorated basis based on their weekly work schedule.

5.2 Use of Accrued Time

- 5.2.1 Employees who want to use their accrued vacation time or floating holiday instead of salary continuation must make a request to HR. Without notification, accrued vacation or floating holiday time will not be automatically applied.
- 5.2.2 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. Employees on unpaid status or on salary continuation on the day prior to a holiday will not be paid for the holiday.
- 5.2.3 Employees receiving salary continuation or on no pay status are not eligible for Holidays. Employees on a medical leave extending beyond 12 weeks of FMLA (see EP 3.3) will not accrue floating holidays, sick or vacation accruals until they return to work on either full or part-time status.
- 5.2.4 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
- 5.2.5 Once all required accrued time or salary continuation is exhausted, employees will be placed on no-pay status.

6 VIOLATIONS

Employees attempting to obtain, or obtaining, FMLA leave by fraudulent means, shall be denied the utilization of paid time for time out of work, the restoration of their job or any other job at the Authority, and may be subject to disciplinary action up to and including termination of employment.

7 REFERENCES

- 7.1 EP 3.3 Family and Medical Leave Act
- 7.2 EP 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/16/2016
Executive Owner	Pizzo, Kristine	5/16/2016
Content Owner	Saslow, Karina	5/13/2016



Title: No Smoking Policy

Document Type: Employee Policy

Document Number: EP 4.7

Revision Date: 3/18/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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No Smoking Policy

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
3/18/2016	4	Uploaded information to a new format. This policy had three (3) revisions under the old format.	N/A	Rani Pollack Director, HR & Employee Relations
		Added the prohibition of chewing tobacco	2	
		Added information about smoking cessation	5	
		Added violation language	6	

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

It is the policy of the New York Power Authority to promote and protect the safety of all employees through the provision of safe and healthy working conditions. Smoking, including passive inhalation of second hand smoke has been recognized by the United States Surgeon General as a danger to health. In addition, the presence of smoke and tobacco like products in the workplace is a cause of annoyance and discomfort to others.

2 APPLICABILITY

This policy prohibits the smoking and using of tobacco or similar products including, but not limited to, cigarettes, pipes, cigars, smokeless tobacco, chewing tobacco and electronic cigarettes.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EAP- Employee Assistance Program

Smoking-is defined as inhaling, exhaling, chewing, spitting, burning or carrying a lighted cigar, cigarette, pipe, electronic cigarette or any other matter or substance which contains nicotine, tobacco or tobacco-like products.

4 RESPONSIBILITY

Employees with questions related to any aspect of this policy should direct inquiries to Employee Relations at headquarters offices, and to Facility HR at the sites, who shall be designated as the Authority's agents responsible for providing information about, and enforcing, this policy.

5 POLICY IMPLEMENTATION

- 5.1** Smoking is prohibited indoors at all Authority sites and office locations, as well as in company pool vehicles and the company plane.
- 5.2** No Smoking signs shall be posted conspicuously within all Authority sites and office locations to advise employees and visitors where smoking is prohibited. Employees may smoke outside (unless otherwise prohibited) away from entrances and in designated areas.
- 5.3** For questions and information on smoking cessation, contact the Employee Assistance Program (EAP) at 1-800-833-8707.

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6 VIOLATIONS

Employees who violate this policy may be subject to disciplinary action up to and including termination.

7 REFERENCES

N/A

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	3/18/2016
Executive Owner	Pollack, Rani	3/17/2016
Content Owner	Bodolato, Diana	3/16/2016

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Title: Recruitment and Job Posting

Document Type: Employee Policy

Document Number: EP 1.2

Revision Date: 5/13/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Kalashian, Steven
VP HR & Organizational Development

Content Owner: Coles, Barbara
Director Recruiting

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Recruitment and Job Posting

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	15	- Changed all sections containing the word "salaried" to "management" - Prohibiting Board of Trustees from seeking paid employment while serving on board - Added 3 definitions - External candidate, Internal candidate, Open position - Internal candidates may apply for internal postings within 12 months with approval of HR - Open positions are posted on Powernet - Any action varying from the guidelines of this policy requires approval of HR - Managers mutual agree on transition date - Added VP & Chief Ethics & Compliance Officer to authorize hiring of relatives - Hiring of former Authority employees	Through out 2.3 3 5.1.1 5.1.2 5.1.4 5.2.5 5.3.2 5.3.5	Barbara Coles Director, Recruiting

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05/21/2015	14	Changed revision numbering from 0 to 12 and from 1 to 13	Revision History Table	Barbara Coles Director, Recruiting
3/04/2015	13	Minor editorial changes Changed title from Senior Vice President of Enterprise Shared Services to Head of Human Resources	All Through out Cover Page, 5.1.2, 5.2.7, 5.3.2, 5.3.3	Barbara Coles Director, Recruiting
12/01/2014	12	Converting to new format, there were 11 prior revisions of this Policy	N/A	Barbara Coles

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS** where you will find a statement which pertains to all Employee Policies including this one.

1 PURPOSE AND SCOPE

The goal of the job posting policy is to ensure that internal candidates are made aware of and have the opportunity to apply for any open management positions either before or concurrent with the Authority's consideration of external candidates for employment.

2 APPLICABILITY

- 2.1** The job posting program makes information available to Authority employees, regarding management Full-time permanent, Part-time permanent and Provisional salaried openings throughout the organization, including the position requirements, job responsibilities and qualifications 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.
- 2.3** 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.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

External candidate – any person that is not employed at NYPA

Internal Candidate – anyone actively employed and is on the NYPA payroll.

Open position – Open positions are considered vacancies and are posted on the NYPA website. Promotional opportunities or job changes/restructuring are not considered vacancies and therefore not posted on the NYPA website.

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 for consideration for a posted open position an internal 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 without reasonable accommodation;
- c) Have a current, formal job performance review rating that is acceptable within the guidelines of the Authority's prevailing performance management system;
- d) Internal candidates must have been in their current position for at least 12 months. In order to be eligible to apply for an open position, employees with less than 12 months of service must obtain approval from their immediate supervisor before applying.

5.1.2 All open positions (as defined in section 3) must be posted internally on the *Powernet* for at least 10 days business days.

5.1.3 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 business days, however, external recruitment efforts may commence simultaneous with the posting.

5.1.4 Any action varying from the guidelines of this policy requires the approval of the SVP of Human Resources or his/her designee.

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., pre-employment 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 three 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 eligible for reimbursement for travel related expenses. Please refer to CAP1.5 Travel Expense Reimbursement. If offered, and the employee accepts the position, he/she may be eligible for reimbursement of certain relocation costs. Please refer to EP 3.8 – Relocation

Benefits for New and Transferred Employees. Employees should discuss these issues and options with their HR representative during the interview process.

- 5.2.3 Employees are not expected to disclose that they are applying for a position until they are made an offer. Employees being considered for a position should expect hiring managers to review performance information and evaluations while making a hiring decision.
- 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 by Human Resources.
- 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 will develop a transition plan and agree on a transfer date. The status of current work assignments, knowledge capture 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.
- 5.2.7 Special conditions may arise when an exception to this policy is appropriate. Under such circumstances, authorization must be obtained from the SVP of Human Resources or his/her designee.

5.3 Employment of Employee Relatives and Former Authority Employees

- 5.3.1 All internal and external candidates are prohibited from being the direct report of a supervisor or relative. If the candidate is not being directly supervised by or directly supervising a relative, but has relatives that are in the reporting chain of command, then the candidate must notify the Vice President and Chief Ethics & Compliance Officer and obtain approval to ensure that the employment does not violate the provisions of this policy or the Authority's Code of Conduct.

Disclosure of relationships required as follows:

External candidates

External candidates must disclose on the employment application if they have a relative (as that term is defined above in Section 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. Human Resources will seek approval to proceed with the external candidate by obtaining written approval as noted in 5.3.2.

Internal candidates or employees

At any time during employment, employees must inform their supervisor and the Vice President and Chief Ethics & Compliance Officer in writing when

- a) a relative may be transferred, demoted or promoted to a position where either the relative or the employee will have personnel decision related responsibilities, or supervisory responsibilities over another relative.
- b) another employee becomes their relative and where either person will have personnel decision related responsibilities or supervisory responsibilities over the other relative. 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.
- c) Exceptions to these guidelines require authorization of the SVP of Human Resources or his/her designee, as well as the Vice President and Chief Ethics & Compliance Officer. Any such request must be in writing.

- 5.3.2 Employees and Trustees may not take part in any hiring or employment decision relating to their relatives. There also cannot be a direct supervisory relationship between an employee/trustee and relative or one where a conflict of interest may exist as a result of a hire, promotion or transfer. Relatives of active employees or Trustees will not be employed on a permanent or temporary basis unless authorization is granted by the SVP of Human Resources or his/her designee, and the President and CEO as well as the Vice President and Chief Ethics & Compliance Officer. 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 or one where a conflict of interest may exist or is reasonably anticipated to later arise.
- 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 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.
- 5.3.5 Hiring of Former Authority Employees

In accordance with the Authority's Code of Conduct, the Vice President and Chief Ethics & Compliance Officer must be consulted prior to the re-employment in any manner of any former Authority employee to ensure compliance with the post-employment restrictions and post-retirement earnings limitations contained in applicable laws and regulations.

5.4 Prohibition against Consideration of Politics in Employment

- 5.4.1 Except as otherwise authorized by applicable laws or regulations, the Authority expressly prohibits employees involved in recruiting, interviewing or hiring or making promotional, disciplinary or other employment decisions relating to Authority 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.

6 VIOLATIONS

Any employee who knowingly violates the provisions of this Policy will be subject to appropriate disciplinary action up to and including termination.

7 REFERENCES

- 7.1 EP 3.8 Relocation Benefits for New and Transferred Employees
- 7.2 EP 1.10 Employee Background Investigations
- 7.3 CAP 1.5 Travel Expense Reimbursement
- 7.4 Authority Code of Conduct

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year

9 ATTACHMENTS

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Kalashian, Steven	5/13/2016
Content Owner	Coles, Barbara	5/6/2016



Policy Title:
**Relocation Benefits for New and Transferred
Employees**

**Title: Relocation Benefits for New and Transferred
Employees**

Document Type: Employee Policy

Document Number: EP 3.8

Revision Date: 5/4/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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requirements pertaining to NYPA.*

Policy Title:

Relocation Benefits for New and Transferred Employees

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Relocation Benefits for New and Transferred Employees

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/4/2016	6	Converting to the new format. There have been 5 past revisions of this document. Change wording from Salaried to Management All references to "Director of Compensation and Benefits or his/her designee" have been changed to "the designated Human Resources Representative in the White Plains Office" Contingent workers are not eligible Relocation benefits offered at the discretion of HR and hiring manager Eligible locations updated to include only United States lower 48 states Update "Relocation Location Guidelines" to reflect the new Compensation grade structure Remove repetitive language and clarified wording Revise definition of spouse to include spouse/domestic partner	Various Various 2.0 5.1.2 5.2 5.2.1 Various Various	Kal Memon Benefits Specialist II

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		Change IRS distance requirement to only use online mapping source	5.4.1(a)	
		Add information about applying for reimbursement of moving expenses	5.5.1(d)	
		Added receipts for interim living expenses are required	5.8.2	
		Removed unnecessary language	5.9	
		Clarify moving expenses that are not covered under policy	5.10.5	
		Add shipment of personal vehicles to miscellaneous covered expenses	5.11.3(d)	
		The Relocation Certification page has a new notary format	9.2	
		Indicate that repayment of benefits must be by certified check only	6.1.3 & 9.2	

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This policy provides the guidelines by which relocation benefits are administered to new and transferred employees. It describes the necessary requirements needed to qualify for the benefit (Authority and IRS requirements) if offered, as well as the options available to an employee when the benefit is offered.

2 ELIGIBILITY

This policy applies to certain management, full-time, permanent, and provisional employees as described in section 5.1.

This policy excludes contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Domestic Partner- a domestic partnership, which has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria, prior to incurring any expenses for the domestic partner under this policy

ERC- Employee Relocation Council

Exempt – meets the Fair Labor Standards Act (FLSA) exemption guidelines

FHA- Federal Housing Administration

IRS- Internal Revenue Service

Management –non-bargaining unit Authority employees.

Authority Facilities:

ALB- Albany Office

B-G- Blenheim-Gilboa Site

CEC- Clark Energy Center Site

HOL- Flynn Site

NIA- Niagara Site

STL- St. Lawrence Site

WPO- White Plains Office

500MW- Astoria Site

VA/GI- Veterans Administration and other federal loans available to current and former military personnel

Relocation Benefits for New and Transferred Employees

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted herein.

5 POLICY IMPLEMENTATION

5.1 Eligible Employees

5.1.1 Relocation benefits may be provided to eligible employees based on the Recruiting Location Guidelines utilized by Human Resources and specified in section 5.2. 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 this policy and (3) is either:

- a) a permanent full-time, management, or union employee who is transferring to an exempt permanent full-time management position at the request of the Authority (no minimum grade required), or who applies for a posted exempt permanent full-time management position and is hired from one Authority facility to another, for a period that is expected to last one year or longer; (reference EP 3.1 Management Employee Categories and Eligibility for Benefits)
- b) newly hired from outside the Authority as an exempt permanent full-time, management employee at any Authority location for a period that is expected to last one year or longer;
- c) a provisional employee who is offered an exempt permanent full-time management employment with the Authority, with benefits subject to certain limitations (section 5.8.3). Please contact the Corporate Controller's group regarding assignments of less than one year as well as for the most up-to-date information regarding per diem rates and associated issues.

5.1.2 This policy shall be applicable when relocation benefits are extended by the designated Human Resources Representative in the White Plains Office or the Facility HR Manager to the transferred employee at the time the transfer is formally approved, authorized by Human Resources, 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 HR Manager. Relocation benefits shall be granted at the sole discretion of the hiring manager and Human Resources representative.

5.2 Eligible Positions for Relocation Benefits:

This policy applies to relocations that originate in the U.S. Lower 48 states only

Relocation Benefits for New and Transferred Employees

5.2.1 East of the Mississippi:

- a) Exempt positions (non-engineering job families): 08(U/X/I) through 10(U/I), 11A-20A
- b) Engineering job families and positions related to the generation and transmission of power, Environmental Sciences and Energy Efficiency: grades 06X- 09X, 09U-10U and 11A- 20A

5.2.2 Nationwide:

- a) Exempt (non-engineering job families): grades 11A through 20A
- b) Engineering job family and positions related to the generation and transmission of power, Environmental Sciences and Energy Efficiency: grades 09(X/U) through 20A

5.3 New Hire or Transferred Employees

5.3.1 If a newly hired employee satisfies the eligibility requirements for relocation benefits and if offered a relocation benefit, the policy shall be distributed and explained to the employee at the time the offer of employment is officially extended by the recruiter or the Facility HR Manager.

5.3.2 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 lump-sum will be taxed. No other benefits listed in this policy are available to the employee when selecting the stipend option.

5.3.3 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 Facility HR Manager or the designated Human Resources Representative 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 (including attachment 9.1 if applicable) or a \$12,000.00 stipend, grossed up for tax purposes. If the stipend option is selected, no other benefits listed in this policy are available to the employee.

5.3.4 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 appraisals will be ordered by, reviewed and paid for by the designated Human Resources Representative in the White Plains Office.

Two appraisers will be selected from a list of Employee Relocation Council (ERC) certified appraisers in the area of the home. 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 percent, a third appraisal may be conducted at the

Relocation Benefits for New and Transferred Employees

request of the transferring employee and the three appraisals will then be used to determine the average anticipated sale price of the property.

If ERC appraisers are not available in that specific region, the lowest cost appraisers within a 25 mile proximity to the home will be selected to conduct the appraisals.

5.4 IRS Distance Test

5.4.1 According to the current IRS Distance Test, the new main job location must be at least 50 miles further from the candidate'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 update this distance test, the regulations in effect at the time of relocation shall apply.

- a) In determining whether or not a relocation candidate meets the IRS distance requirement, a reputable online mapping resource 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, the Authority will treat prior job location for purposes of the distance test as the job prior to the Authority provisional assignment.

5.4.2 In determining if an employee is in compliance with IRS regulations, the Authority does not determine and is not responsible for tax implications. The relocating employee is advised to consult with his/her own tax advisor.

5.5 Financial Controls & Tax Implications

5.5.1 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 and which are deemed to be reasonable in cost by Corporate Human Resources, 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 must submit a State of New York Exemption Certificate to the vendor;
- b) For those employees choosing the relocation benefits option, 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;

Relocation Benefits for New and Transferred Employees

- c) Reimbursement for covered expenses is limited to the first **six months** of employment or transfer from one Authority facility to another.
- d) Employees must utilize the provided relocation expense forms when submitting for reimbursement of any expenses or for the stipend option. Signatures from the employee's Department Head, Manager, or site Facility Manager must be obtained prior to submitting the expense to the designated Human Resources Representative in the White Plains Office, who will then submit to the Payroll Department for processing. All expenses incurred within six months of the relocation date must be submitted no later 14 days following six month end date.

5.5.2 Expenses reimbursed under this policy are included 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.**

5.5.3 Any tax liability associated with the relocation is outlined in IRS Publication 521-Moving Expenses, which is provided to the eligible employee along with this policy. The Authority will withhold taxes on all amounts reimbursed under this policy in accordance with the Internal Revenue Code and IRS regulations.

5.5.4 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.

5.5.5 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.**

5.6 Non-Covered Expenses

5.6.1 The Authority recognizes that extenuating circumstances may necessitate a deviation from this policy. A deviation will be deemed a non-covered expense. For a non-covered expense 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 non-covered expense is required. If the employee is not willing to surrender a reimbursable relocation expense(s) of comparable value, the request to cover the non-covered expense will be denied.

5.6.2 The justification/expense-offset indication must be sent to the designated Human Resources Representative in the White Plains Office for review; it will then be determined whether the request for the expense is approved or denied. **Non-covered expenses above and beyond the provided benefits under this policy may be**

charged to the department to which the employee is being hired or transferred if the annual HR relocation budget is exceeded for that calendar year.

- 5.6.3 Any deviation from this policy, other than outlined in sections 5.6.1 and 5.6.2, will require detailed written justification as to the business need. The justification must be sent to the designated Human Resources Representative 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 Human Resources Benefits group will maintain a record of all such requests made by an employee or business unit.

The following items as described below may be reimbursed under this policy:

5.7 House Hunting

- 5.7.1 Reimbursable house hunting trip expenses 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).
- 5.7.2 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.
- 5.7.3 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.
- 5.7.4 Air or train travel reimbursement for house hunting must be approved by the designated Human Resources Representative in the White Plains Office or the site Facility HR Manager with concurrence from the designated Human Resources Representative in the White Plains Office prior to incurring the expense.
- 5.7.5 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 by calling (914) 287-3191. If the Travel Department is not utilized, the employee will not be reimbursed.
- 5.7.6 During house hunting, occupation of more than one hotel room must be approved by the designated Human Resources Representative in the White Plains Office prior to incurring expenses.
- 5.7.7 An employee will be reimbursed through the use of a Relocation Expense Statement with itemized receipts for the following travel and living expenses which may be incurred by the employee and spouse/domestic partner during the search for a new residence near the facility:

Relocation Benefits for New and Transferred Employees

- 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;
- b) Use of a rental vehicle for house hunting will be applied towards the employee's miscellaneous expense allowance;
- c) Fees for tolls and parking expenses incurred in connection with house hunting and travel by personal/rental car, or in connection with authorized air or train travel to and from the airport/station;
- d) 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;
- e) Reasonable meal expenses for breakfast, lunch and dinner, for the employee and his/her spouse/domestic partner and/or children may be reimbursed (providing house hunting does not take place during the interim living period); and must not exceed the daily maximum allowance per person, as specified in Corporate Accounting Policy 1.5, Reimbursement for Employee Meal Costs;
- f) Lodging expenses incurred (at the Authority/State rate). The Authority issued personal charge card should be used for this expense. If the employee does not have an Authority issued charge card, a personal credit card may be used.

5.8 Interim Living Expenses

- 5.8.1 It is the responsibility of the employee to make any interim living and transportation arrangements. It is recommended that arrangements be made through the Authority's Travel Department in order to secure the best rates.
- 5.8.2 A lump sum gross amount of up to \$3,250 per month downstate (WPO, HOL and 500MW) and up to \$2,500 per month upstate (ALB, B-G, CEC, NIA and STL) will be provided for the employee's interim living expenses. Receipts of all incurred costs must be provided in order to receive reimbursement. The employee will be reimbursed the interim living amount by submitting a Relocation Expense Statement at the end of each month following the hire/transfer date. Expenses for partial month (leading up to delivery of household goods and/or occupying the new residence) will be pro-rated.
- 5.8.3 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 sections 5.8.1– 5.8.7.

Relocation Benefits for New and Transferred Employees

- 5.8.4 Interim living expenses (as defined in section 5.8.6.) will be reimbursed to the employee for a maximum of three months and must 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.
- 5.8.5 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.
- 5.8.6 The following interim living expenses will be covered by the appropriate monthly lump sum:
- a) Charges for a hotel room or apartment/house monthly rental fees
 - b) Charges for laundry;
 - c) Charges for local and long distance telephone calls; and
 - d) Expenses for daily meals (as specified in Corporate Accounting Policy 1.5).
- 5.8.7 The employee may be reimbursed for trips home every other weekend or Authority holiday (listed on the Authority's holiday schedule for the employees corresponding work location; floating holidays are not included for this purpose) 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 Company Travel Policy, CP 2-1. If the employee elects to travel home by air or train, travel must be arranged by the Authority's Travel Department and that fare, plus parking and tolls connected with the travel, will be reimbursed. Reimbursement will not be made beyond the three-month interim living period.

5.9 **Moving to New Residence**

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 and substantiated by submitting employee-provided receipts and/or the invoice for commercial moves.

- 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 relocation expense, or if a lump-sum stipend is provided to the employee, may not be reimbursed as a business expense under any other Authority policy;

Relocation Benefits for New and Transferred Employees

- b) The reasonable charge for a hotel room. Hotel rooms must be obtained through the Authority's Travel Department in order to receive the most cost effective rate. When moving the family to the new location, occupancy of more than one room must be approved by the designated Human Resources 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 will be permitted. 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 Authority contracted commercial van line.
- d) Tolls for a maximum of two personal vehicles.

5.10 Movement of Household Goods

- 5.10.1 The employee may elect to have his or her household goods moved from the old residence to the new residence either by an Authority contracted commercial van line or through a self-move using a rental vehicle.
- 5.10.2 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 from the list of contracted vendors.
- 5.10.3 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.
- 5.10.4 The following items may be incurred in a commercial van line move and are considered covered expenses:
 - a) line haul charges;
 - b) insurance charges - declared value;
 - c) cost of containers;
 - d) charges for packing and basic unpacking; and
 - e) 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).
- 5.10.5 The following items are not covered in a commercial van line move:
 - a) extra pick-up/delivery;
 - b) automobiles, boats, or any other recreational or lawn vehicles
 - c) frozen food, and/or perishable goods;

Relocation Benefits for New and Transferred Employees

- d) swing sets, pool tables, lumber/building materials, pianos, or any other items that would incur additional moving costs outside of a regular shipment cost;
- e) storage and associated costs; and
- f) crates and/or crating charges.

5.10.6 Movement of any other unusual, cumbersome, or dangerous items that will incur additional shipping costs, will be subject to prior approval by designated Human Resources Representative in the White Plains Office.

5.10.7 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:

- a) rental of the moving vehicle;
- b) cost of containers and equipment for packing;
- c) insurance coverage;
- d) rental of a tow bar for a personal vehicle;
- e) gas used during rental of a vehicle; and
- f) servicing of appliances.

5.10.8 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).

5.11 Miscellaneous Relocation Expenses

5.11.1 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.

5.11.2 Proof of payment will be required in order to be reimbursed for these expenses (i.e., cancelled check and invoice).

5.11.3 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;

Relocation Benefits for New and Transferred Employees

- d) Charges related to shipping of up to two personal vehicles to the new location when the employee must travel by air or train. Shipment should be arranged by the employee with a third party shipping vendor of their choice;
- e) Child care expenses necessary to permit employee and spouse/domestic partner to search for a new residence. Child care will be covered up to \$350.00 per week for in-home care for all of the employee's children. Child care arrangements such as day care centers, family day care, and live-in arrangements must be discussed with the designated Human Resources Representative in the White Plains Office or the site Facility HR Manager;
- f) Installation charges for television/internet/cable connections which were installed in the employee's previous residence. Proof of telephone/cable/internet connections in employee's previous residence and new residence in the form of recent invoices must be provided; and
- g) Fees for kennel or shipment of pets.

5.11.4 See Attachment 9.1 for additional reimbursable expenses for transferred employees.

6 VIOLATIONS

6.1 Reimbursement to the Authority

- 6.1.1 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 voluntarily relocates, transfers, or separates from service prior to completion of a 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 percent of the total benefits provided (including any gross-up if applicable) if voluntary relocation, transfer, or separation occurs before the completion of six months, beginning with the employee's start date at the new Authority location; (2) 50 percent of the total benefits provided (including any gross-up if applicable) if voluntary relocation, transfer, or separation occurs on or after six months, but prior to the completion of the one-year period.
- 6.1.2 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.
- 6.1.3 In the event that a reimbursement is owed to the Authority under this policy, the Authority shall request such amount to be paid by the employee in the form of a certified check prior to the employee's last day of work. If the employee voluntarily relocates or

transfers, the employee shall provide the Authority with a certified check for the balance prior to his/her relocation or transfer date to the new location.

- 6.1.4 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 9.2).

7 REFERENCES

- 7.1 Domestic Partner Guidelines for Management and Union Employees**
- 7.2 Management Employee Categories and Eligibility for Benefits Policy, EP 3.1**
- 7.3 IRS Document 521-Moving Expenses**
- 7.4 Corporate Accounting Policy 1.5, Reimbursement for Employee Meal Costs**
- 7.5 Company Travel Policy, CP 2-1**
- 7.6 NYS Tax Exemption Certificates**
Powernet→Quick Links→Travel Desk→ Travel Forms
- 7.7 Recruiting Location Guidelines**

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year

9 ATTACHMENTS

- Attachment 9.1: Additional Reimbursable Expenses for Employees Transferred from One Authority Location to Another**
- Attachment 9.2: Relocation Reimbursement Option Certification**

**ATTACHMENT 9.1 - ADDITIONAL REIMBURSABLE EXPENSES FOR EMPLOYEES
TRANSFERRED FROM ONE AUTHORITY LOCATION TO ANOTHER****Sale of Residence at Former Location**

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 percent 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.

Renting at Former Location

- 1) A penalty for cancellation of the lease not to exceed security deposit and two month's rent less any amount earned by subleasing will be reimbursed when itemized receipts are furnished, accompanied by a complete Relocation Expense Statement;
- 2) Forfeiture of security deposit as the result of damages to the residence is not covered.

Purchase of Residence at New Location

9.1.1 If the transferred employee was renting at former location, he/she will not be reimbursed for real estate expenses which may be incurred if he/she chooses to purchase a residence at new location.

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9.2.2 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 5 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).

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 10 percent of the first year's rent.

ATTACHMENT 9.2: RELOCATION REIMBURSEMENT OPTION CERTIFICATION**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, or request a transfer to another Authority location.

1. I will reimburse the Authority 75 percent of the total benefit received, provided voluntary transfer or separation occurs within a six month period following my start/transfer date to the new Authority location.

2. I will reimburse the Authority 50 percent of the total benefit received, provided voluntary transfer or separation occurs on or after the six month period, 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 hereby agree to provide the Authority with a certified check for the repayment amount owed prior to my last day of employment, or prior to the transfer date at the new location when requesting a location change.

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.

ACKNOWLEDGEMENT TO BE COMPLETED BY A NOTARY PUBLIC

State of _____ County of _____ On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC (Please sign and affix stamp)

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/4/2016
Executive Owner	Saslow, Karina	4/27/2016
Content Owner	Verdesi, Brenda	4/26/2016



Title: Salary Administration

Document Type: Employee Policy

Document Number: EP 2.1

Revision Date: 5/20/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: McDonnell, Robyn
Senior Compensation Specialist

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Salary Administration

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/20/2016	19	• Use the term Management instead of Salaried for references to non-union employees for consistency with employee categories in EP 3.1 • Updated Merit Program timing • Replaced “in-place” promotion with “competency” promotion • Addition of Skill Adjustment • Reordering of Lateral & Demotion under Skill. Clarification lateral is element of Skill. • Clarification of timing of salary actions • Sign-On addition of requirements	Through out 5.1.4 5.2.3 5.3 5.4 / 5.5 5.9 5.10	Karina Saslow Dir. Total Comp & HRIS
07/07/2015	18	Updated document to the new format. This policy had 17 prior revisions under the old format. • New Organizational Roles updated (SVP, Human Resources) • Clarification of Lump Sum payments being pensionable • Clarification of leave of absence and merit timing • Update on in-place promotion requirements	N/A Through out 5.1.5 5.1.6 5.2.3a	Christopher Gillard Compensation Specialist

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		• Removal of compa-ratio limits and addition of guidance on positioning pay in range.	5.2.1	
		• Clarification of >10% increases and potential for spreading it over period of time.	5.2.2	
		• Expanded definition of market and equity adjustments	5.3.3 & 5.3.4	
		• Clarification of lateral moves.	5.5	
		• Addition of FLSA statement	6	

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

- 1.1** This policy governs salary administration for eligible management employees as defined in section 2 below.
- 1.2** This policy describes the New York Power Authority's (NYPAs) competitive pay program and provides guidelines in which to recognize and reward different degrees of performance through salary changes within budget limits.

2 APPLICABILITY

This policy applies to all permanent and provisional exempt and non-exempt NYPA employees, as defined in the Management Employee Categories and Eligibility for Benefits policy (EP 3.1).

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Base Rate of Pay Bargaining Unit Employee - the negotiated hourly rate for the job, excluding any other payments granted to an employee such as premiums and overtime.

FLS - First Line Supervisor

Management - non-bargaining unit NYPA employees.

4 RESPONSIBILITY

- 4.1** All types of actions described in this policy, including the effective date of the salary action, require the approval of the Business Unit Head, the Senior Vice President Human Resources or his/her designee, and the President and CEO or his/her designee. 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.
- 4.2** Any salary action varying from the guidelines of this policy requires documentation, justification, and majority approval from the Compensation Committee and the President and CEO. The justification must contain a detailed explanation for the request. Requests that are insufficient will be returned for further justification or denied.
 - a) The Compensation Committee requires a minimum of three participants. It is made up of the Business Unit Heads that report directly to the President and CEO, excluding the Business Unit Head directly involved in the request, and the Senior Vice President Human Resources.
- 4.3** Any action affecting the hiring of or promotion to Vice President or higher also requires notification to the Governance Committee.

- 4.4** The Trustees and the Governance Committee will receive a quarterly report of all salary actions implemented in the prior quarter.

5 POLICY IMPLEMENTATION

5.1 Annual Merit Increase

- 5.1.1 Annual merit increases are intended to provide recognition and reward for performance within the parameters of NYPA's annual salary budget. However, neither an annual salary budget nor an annual performance assessment is a guarantee that a salary adjustment will occur.
- 5.1.2 An employee's performance rating summarizing his/her annual performance will be taken into consideration for annual merit purposes and ensures that an employee is considered for a salary adjustment.
- 5.1.3 Eligibility:
- a) Only employees who receive a performance rating of 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 rating of Did Not Meet Expectations.
 - c) Employees whose date of hire is within the six months prior to the Annual Merit increase effective date will not be eligible for that years' increase.
- 5.1.4 Timing:
- a) Effective dates of annual merit increases are at the discretion of senior management and will be announced each year as business needs allow.
 - b) In the case of employees on approved leaves of absence, the effective date of increases may be adjusted (see section 5.1.6).
- 5.1.5 General Guidelines:
- a) Base salaries of employees who earn a performance rating of 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 to go over must have appropriate approvals as specified in section 4.2. If the maximum of the grade range is exceeded by the recommended salary increase, then the portion of the increase in excess of the maximum will be granted in the form of a pensionable lump sum payment which does not become part of base pay and must be re-earned each year.

- b) Base salaries of employees who earn a performance rating of Exceeds Expectations may exceed the maximum of the grade range by 4%. If the recommended salary increase exceeds 4% above maximum, then the portion of the increase in excess of the maximum will be granted in the form of a pensionable lump sum payment which does not become part of base pay and must be re-earned each year.
- c) If an employee is under the minimum of the grade range for his/her job and has a performance rating of Achieved Expectations or better, an adjustment to minimum will be given prior to the Merit increase, unless a plan is already in place to progress them to the minimum of the range.

5.1.6 Approved Leaves of Absence:

- a) Performance Assessments - Annual performance assessments should be based on performance in the previous assessment year, regardless of the length of time the employee was on approved leave.
- b) Effective Date of Salary Increase - is determined upon the employee's return to work. If the employee returns from an approved leave of three months or less, the Merit increase will be effective retroactive to the common Merit Increase date. If the approved leave is longer than three months, the Merit Increase will be effective on the date the employee returns to work, unless proscribed by any other policy, state or federal law.
- c) In neither situation will the amount of the increase be affected by the leave.

5.2 **Promotional Increases**

- 5.2.1 Assignment of an employee to a position of one or more grades higher may be accompanied by an increase in salary of up to 10%. A current performance assessment needs to be on record for employees recommended for promotion. An employee's position in a grade range should reflect proficiency for the expectations of the level of the role. The lower third is entry range, people new to the field, less skilled performers. Median range is skilled performers/experienced for the level of work defined. Upper third range is consistent top performers and critical skill/experts.
- 5.2.2 When a 10% promotional increase does not bring the employee's salary to the minimum of the new grade range, or creates equity concerns (see section 5.8), the employee may receive a larger increase with approval of the Compensation Committee (see section 4.2). Increases over 10% may result in the increase being spread out over a defined period of time and based on continued performance of Achieved Expectations or better.

5.2.3 Types of Promotions:

- a) **Competency:** Competency promotions are based on defined essential knowledge, skills, and abilities for a certain level of work. An individual needs to demonstrate their ability to meet these requirements and management needs to provide a business need for this level of work. A Job hierarchy needs to be in place for a competency promotion to be implemented. Competency promotions for the upcoming year will be planned for in the merit planning cycle. They will be implemented in the following year on common dates determined and announced at the beginning of the year.
- b) **Organizational Promotion (backfill or new role):** Employee is assigned a different job in order to fill an open or newly created position with expanded responsibilities at a grade higher than the employee's current position. These will be implemented at the time a candidate is identified for the position.
- c) **Re-evaluated position:** When a business need drives a change in work or a reorganization results in a job having expanded responsibilities and increased level of competency, a job analysis should be requested by the Business Unit Head and forwarded to the Human Resources Compensation Group in order to assess supporting a higher grade range (see section 5.6.3).

5.3 Skill Adjustments

- 5.3.1 A skill adjustment allows managers to recognize consistently demonstrated growth of an employee in a role and may include an increase in salary of up to 6%. An employee's position in a grade range should reflect proficiency for the expectations of the level of the role. The lower third is entry range, people new to the field, less skilled performers. Median range is skilled performers/experienced for the level of work defined. Upper third range is consistent top performers and critical skill/experts.
- 5.3.2 Skill adjustments should not occur for an individual more than three times within a grade level.

5.4 Lateral Transfer

- 5.4.1 A lateral transfer occurs when an employee moves from one job to another which has the same grade level, but may be in a different pay structure (e.g. Support-I, Utility - U, Engineering/Science/Attorney - X).
- 5.4.2 In the case of lateral transfers, a skill adjustment may be considered based on the criteria in 5.3.1.
- 5.4.3 Moves that are part of a development plan or program or job changes that are part of a specific work project may be considered for a skill adjustment.

5.5 Demotions

- 5.5.1 A demotion may occur as the result of inadequate employee performance which leads to the employee being assigned to a new job that is one or more grades below the current grade and may include a reduction in salary.
- 5.5.2 Employees demoted and whose salaries are above the maximum of the new grade range may have their salaries reduced to no more than the maximum of the new grade range.

5.6 Job Descriptions

- 5.6.1 Each Business Unit head, or their designee, is responsible for ensuring that the management jobs in their organization have accurate and up-to-date descriptions on record with the Human Resources Compensation group. Substantive changes (increased or decreased) in the primary responsibilities, scope, and/or minimum qualifications must be communicated to the HR Business Partner and Compensation group. Based on the revised description, the Compensation group, with the input of management, reviews and evaluates the job against both the marketplace and internal comparable positions.
- 5.6.2 Recommendation for changes to any job based on the evaluation are coordinated with and approved by the respective Business Unit Head(s) for departments in which the job exists.
- 5.6.3 An evaluation may result in a change in grade. If a job is re-evaluated upward due to a significant change in job content, consideration may be given to granting a promotional increase as previously defined and outlined in Section 5.2.3 b.
- 5.6.4 Employees whose positions are re-evaluated and downgraded and whose salaries are greater than 4% above the maximum of the new grade range may have their salaries reduced to 4% above the maximum of the new grade range, otherwise salaries will not be adjusted based on a downgrade in the job

5.7 FLS Differential

To prevent inequities between bargaining unit employees, or equivalent jobs in non-union facilities, and their supervisors, FLS jobs shall generally be paid a minimum of five percent (5%) above the annual base rate of pay of the highest paid supervised bargaining unit employee (or equivalent job). This differential applies only to those FLS who achieve an annual Performance Plus rating of Achieved Expectations or better for their prior year's performance.

5.8 Market / Equity Adjustments

- 5.8.1 Upon the recommendation of the Human Resources Compensation group, an adjustment to base salary may be permitted to achieve internal and/or market equity.
- 5.8.2 Only employees who earn a performance rating of Achieved Expectations or better are eligible for a market or equity adjustment.
- 5.8.3 External market adjustments are reviews of NYPA job grade ranges and average salaries to market rates. These are reviewed during the annual merit planning cycle. If a Business Unit head approves, a review may be conducted outside of the annual cycle to review a job hierarchy's positioning.
- 5.8.4 Internal equity adjustments are reviews of peer groups (e.g., same grade and geographic region or same grade, job family and geographic region) to review consideration of comparable pay. Overall, an equity review is conducted once a year after each annual salary cycle. Equity is also taken into consideration when making salary recommendations.

5.9 Timing of Salary Actions

- 5.9.1 With the exception of the annual merit increase, at least six months must elapse between any salary actions, inclusive of date of hire.
- 5.9.2 The Compensation group, each year, will provide a calendar of common effective dates for skill adjustments, competency promotions, and job re-evaluations. These transactions will be frozen during the annual merit increase planning cycle.
- 5.9.3 Organizational promotions, lateral moves to fill a position, and demotions will be acted upon at any time during the year.

5.10 Sign-On & Retention

- 5.10.1 Special incentives for the purpose of attracting or retaining staff may be recommended for VP and above levels or Engineering, Environmental, Traders, Technical Compliance, and IT Utility positions (grade 07 and above).
- 5.10.2 Incentives may be offered up to 10% of the midpoint of the job grade and include a 2 year full repayment agreement in the event of voluntary resignation or termination for cause.
- 5.10.3 All require the approvals specified in section 4.2. VP and above require the additional approval of the Governance Committee.

5.11 Incentive Pay

- 5.11.1 An incentive is a lump sum award paid in recognition of the extraordinary achievement of an individual or a group on special projects or in unique situations that are critical to NYPA.
- 5.11.2 An incentive plan may be developed upon the recommendation of the Business Unit Head accountable for the results, the Senior Vice President Human Resources, and the President and CEO or his/her designee.
- 5.11.3 An incentive plan may be developed:
- a) Before the start of a project, based on a pre-determined set of measures associated with the project goals and announced to those employees who are eligible, or
 - b) After exemplary completion of an extraordinary project that evolved during a given year.
- 5.11.4 Criteria for such an award must include extraordinary tangible benefits to NYPA such as reduced costs or increased revenue.

6 VIOLATIONS

N/A

7 REFERENCES

EP: 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year**9 ATTACHMENTS**

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/20/2016
Executive Owner	Saslow, Karina	5/18/2016
Content Owner	McDonnell, Robyn	5/18/2016



**Screening and Pre-employment for Bargaining
Unit Positions at Operating Facilities**

**Title: Screening and Pre-employment for Bargaining
Unit Positions at Operating Facilities**

Document Type: Employee Policy

Document Number: EP 1.4

Revision Date: 5/13/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Kalashian, Steven
VP HR & Organizational Development

Content Owner: Raps-Beckerman, Helene
Employee Development Manager

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Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	8	- Removed section pertaining to physical filing of applicants by job classification. - Streamlined Processing Employment Applications section to reflect the current process. - Placement Exercise Series section updated to reflect current practices. - Employment Interview section updated to reflect current practices.	5.1 5.2 5.3 5.4	Helene Raps-Beckerman Employee Development Manager

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS** where you will find a statement which pertains to all Employee Policies including this one.

1 PURPOSE AND SCOPE

This policy provides a uniform system for the screening, processing, pre-employment selection, and hiring of employees to fill full-time or provisional bargaining unit positions at the Authority's operating facilities. All new hires for bargaining unit positions will be required to undergo a comprehensive background investigation.

This policy is to be used in conjunction with the existing Equal Employment Opportunity, Anti-Harassment and Anti-Discrimination Company Policy (CP 01-14), and Recruitment/Job Posting Employee Policy (EP 1.2).

2 APPLICABILITY

This policy applies to managers in their screening and pre-employment of bargaining unit positions.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Placement Exercise Series: A set of individual written ability exercises designed to measure cognitive traits relevant to a specific family of positions in NYPA (e.g., operating positions, maintenance positions, technical/design positions, clerical and administrative positions, etc.). Each Placement Exercise Series generally consists of four individual ability exercises.

Skill Exercise: An exercise designed to measure a learned motor function (i.e., a "skill") such as typing, keyboarding, data entry, word processing, operating equipment, or other activity acquired by training and practice.

4 RESPONSIBILITY

To ensure that the process for pre-employment selection for bargaining unit positions is administered uniformly throughout the Authority, the HR Facility Manager or Labor Relations Representative is responsible for overseeing and administering this policy.

5 POLICY IMPLEMENTATION

5.1 Application Process

- 5.1.1 All external applicants must apply for positions through the online applicant tracking system found on NYPA's website. Resumes cannot be considered in place of a completed online employment application.
- 5.1.2 Employment applications must be fully completed and electronically signed by the applicant.
- 5.1.3 Applicants may choose only one job posting per application. Applicants who wish to be considered in more than one category must complete an application for each position.

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

- 5.1.4 There are certain qualifications required by law or Authority policy which every applicant must meet before being considered for employment.
- The applicant must be available to work the scheduled hours and days required by the Authority.
 - Certain jobs require specific skills, licenses, or other requirements. The job posting will reflect the necessary skills and qualifications for each position.
 - The applicant must satisfactorily complete all levels of the pre-employment selection process.
 - The required background investigation and/or medical evaluation must be successfully completed.
- 5.1.5 Upon submission of a completed online application form, including an authorization to conduct background investigations, the HR Facility Manager or Labor Relations Representative will maintain a computer database to track the status of an application and to comply with the Authority's Records Retention Schedule. Attempts to contact applicants should be noted in the applicants' record. The original application date, not the day on which the application was updated, will be used for selecting from the active file unless the applicant has changed occupational preference.
- 5.1.6 With no exceptions, applicants may be disqualified at any stage of this employment process. Such disqualification is recorded in the applicant tracking system, along with an explanation for the disqualification.
- 5.1.7 To begin the process of filling an open position, all resumes will be reviewed by the HR Facility Manager or Labor Relations Representative. Candidates will be selected to continue in the employment process based on their qualifications, experience, skill, and abilities.

5.2 The Placement and Skill Exercises

- 5.2.1 Applicants will be evaluated based on the results of placement and/or skill exercises. Under no circumstances will an applicant be administered any type of placement exercise series exercise that is not part of an approved selection plan (unless it is mandated by a governmental or regulatory body).
- 5.2.2 Applicants who achieve a minimum passing score on each exercise that makes up the placement exercise series are considered qualified. The HR Facility Manager or Labor Relations Representative will prepare a summary of the results of the scores obtained from the placement exercise series by qualified applicants. All other applicants are considered not qualified and will receive written notice that they will not continue in the employment process. Applicants who score Not Qualified will be entered into two separate databases, one maintained at the site where the test was administered and another at the WPO. Scores and test materials used by candidates who have successfully completed a particular placement exercise series will be retained in accordance with the Records Retention Schedule.
- 5.2.3 Applicants are limited to two attempts per placement exercise series and three attempts at skill exercises with a one year time period between each administration. There shall be a minimum of a one-year interval before a placement exercise series can be re-administered to an applicant who has previously received an unacceptable score on the required placement exercise series. Applicants who did not qualify on the placement

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

exercise series, but wish to try to improve their scores must allow a one-year interval before they can retake the required placement exercise series. However, there shall be a minimum of a thirty day interval before a skills exercise (as defined in section 3) can be re-administered to an applicant who has not been able to achieve an adequate score on a previous attempt.

- 5.2.4 Occasionally, a salaried Authority employee may wish to be considered for a bargaining unit position. When this situation arises, the HR Facility Manager or Labor Relations Representative will not administer the placement exercise series to the employee unless one or more of the following conditions exists:

- a. The employee is applying for a position in the bargaining unit that is outside of the functional area of his/her current position (e.g., a security sergeant applying for a Technician A position).
- b. The relevant placement exercise series had been substantially revised or altered since the time the employee qualified on them.

- 5.2.5 Occasionally, a former Authority employee may wish to be considered for a bargaining unit position. When this situation arises, the HR Facility Manager or Labor Relations Representative will administer the relevant placement exercise series unless the applicant has previously qualified on the placement exercise series and the placement exercise series has not been substantially altered or revised.

- 5.2.6 In the event of a change to the placement exercise series, the scores and test materials will be discarded and the applicant will need to begin the testing process again.

5.3 The Employment Interview

- 5.3.1 HR Facility Manager or Labor Relations Representative will conduct employment interviews for qualified candidates in accordance with 5.2. Only applicants with fully completed applications, required qualifications, and qualifying scores on the placement exercises will receive an interview.
- 5.3.2 Any new or additional information obtained during the interview should be added, by the applicant, to the application.
- 5.3.3 Each candidate will be interviewed using the same set of predetermined interview questions. An Interview Evaluation Form must be completed for each applicant interviewed and should accurately reflect the quality of the interview. The decision made from the interview must be substantiated by the notes made during the interview. These notes are retained at the respective sites, by the HR Facility Manager or Labor Relations Representative and are reviewed with the regional manager. Applicants with an overall rating of 'excellent' should be sent to the Departmental Interview first. If the department supervisor does not wish to hire any of the applicants with an 'excellent' rating, applicants with a 'more than satisfactory' rating would be interviewed. Department supervisors need not interview every applicant who has been deemed qualified.

5.4 The Departmental Interview

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

- 5.4.1 The hiring manager will conduct a departmental interview to determine if the applicant possesses the knowledge and/or skills required for the job and to familiarize the applicant with specific duties, requirements, the work environment, and to answer any questions the applicant may have regarding the position.
- 5.4.2 Only applicants who have received overall ratings of “more than satisfactory” or “excellent” should be interviewed by the department head or supervisor. There should be no exceptions to this method of selecting applicants for the departmental interview.
- 5.4.3 During the departmental interview, supervisors are responsible for evaluating the technical competence of the applicant by obtaining information relating to the applicant's possession of the levels of knowledge/skill required by the position (i.e., knowledge/skill the applicant must bring with him/her on the first day of employment) and completing a Department Interview Report Card for each applicant interviewed. Written comments on these evaluations must be made for all candidates interviewed.

5.5 The Selection Decision

- 5.5.1 The final selection decisions must be based on the whole person/total job concept. Only the most qualified applicant processed through the applicable stages of the employment process should be considered for final selection.
- 5.5.2 The interviewer makes a recommendation to HR regarding an employment offer, signs the Interview Evaluation Form, and returns it and any other documentation to the HR Facility Manager or Labor Relations Representative.
- 5.5.3 When the HR Facility Manager or Labor Relations Representative extends an offer of employment, he/she shall notify the candidate that the offer of employment is conditioned based upon the results of the background investigation and medical evaluation in accordance with Employee Background Investigation policy EP 1.10. The candidate will be asked to sign a separate Fair Credit Disclosure and Authorization to allow NYPA to perform such investigations and tests as the candidate successfully proceeds through the pre-employment testing and interview processes. Upon completion of a successful background investigation and medical evaluation, the HR Facility Manager or Labor Relations Representative or hiring manager must confirm the offer in writing.
- 5.5.4 Applicants who are interviewed, but not selected, will be informed in writing. The applicant must also be advised that the information will remain in our active file for one year and that the applicant may be contacted in the future. The specific reason(s) for disqualification must be recorded on the employment interview form.

6 VIOLATIONS

N/A

Policy Title:

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

7 REFERENCES

- 7.1** CP 01-14 Equal Employment Opportunity, Anti-Harassment and Anti-Discrimination
- 7.2** EP 1.2 Recruitment/Job Posting Employee Policy
- 7.3** Fair Credit Reporting Act, U.S.C. 1681 et. Seq
- 7.4** NYS Correction Law Article 23-A
- 7.5** NYC Fair Chance Act
- 7.6** EP 1.10 Employee Background Investigation Policy

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

Policy Title:

Screening and Pre-employment for Bargaining Unit Positions at Operating Facilities

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Kalashian, Steven	5/13/2016
Content Owner	Raps-Beckerman, Helene	5/5/2016



Title: Separation from Service

Document Type: Employee Policy

Document Number: EP 1.6

Revision Date: 5/13/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.*

Separation from Service

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/13/2016	5	Uploaded information to a new format. This policy had four (4) revisions under the old format. Updated- titles and minor verbiage Defined- two weeks' notice Clarified- the termination process Added: Employees are required to return any NYPA property in their possession on or before their last day of work.	N/A Multiple sections 3 5 5.3.2	Rani Pollack Director, HR & Employee Relations

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This policy, which applies to all Authority employees, provides direction for the recommendation, approval and processing of separations due to termination, retirement or resignation from NYPA.

2 APPLICABILITY

Employees may be terminated at any time by the Authority with or without cause. The terms and conditions of employment for employees represented by a bargaining unit are contained in the applicable Collective Bargaining Agreement.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management - non-union employees

Two weeks' written notice - 14 calendar days beginning the day the supervisor receives written notification of resignation or retirement.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted herein.

5 POLICY IMPLEMENTATION

5.1 Termination Recommendations-Management Employees

- 5.1.1 If a supervisor desires to terminate an employee, that supervisor should contact Employee Relations or a Facility Human Resources to review the basis for the request to terminate. Thereafter, Human Resources will have a discussion with the supervisor and may need to speak with various employees and supervisors through the business unit head.

Once Employee Relations or Facility Human Resources has completed its initial investigation, Employee Relations or Facility Human Resources should then contact the HR & Labor Unit of the Law Department, who will partner with the Chief Ethics Officer, as appropriate, to review the matter and discuss an appropriate recommendation. Thereafter, Employee Relations or Facility Human Resources, the business unit and the HR & Labor Unit of the Law Department will meet to discuss the situation and the recommendation.

After review and approval by the HR & Labor Unit of the Law Department, the manager will be asked to submit a written recommendation for termination (a termination justification memo) to the HR & Labor Unit of the Law Department.

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- 5.1.2 The written termination justification memo must be approved by the Business Unit Head, the Head of Human Resources, the General Counsel or his/her designee, the Chief Ethics Officer (for ethics issues as appropriate), and the President & CEO.
- 5.1.3 The termination justification memo is for internal use only and is not a part of the personnel record. The Employee Relations department will retain a copy of the approved termination justification.
- 5.1.4 After the necessary approvals have been obtained the supervisor and a Human Resources representative will meet with the employee to discuss the termination. The manager will inform the employee that his or her employment has been terminated and the Human Resources representative will provide information about the continuation of benefits and other documentation. If an employee is not informed in person, Human Resources will work with management to notify the employee by letter at his or her last known residence.
- 5.1.5 If deemed appropriate by the Authority, the Authority may offer the employee the option to resign. The employee will be advised that by electing to resign, he or she may not utilize the Termination Dispute Resolution policy (see EP 4.3). If such option is offered and an employee resigns, his or her personnel records shall reflect a "resignation in lieu of termination."
- 5.1.6 If a Management employee below the Vice President level, has been terminated and wishes to appeal that decision, he or she may initiate the Termination Dispute Resolution (See EP: 4.3).

5.2 Termination Recommendations- Bargaining Unit Employees

- 5.2.1 Supervisors should review recommendations for termination of bargaining unit employees with Facility Labor Relations and the HR & Labor Unit of the Law Department prior to submittal to the Regional Manager.
- 5.2.2 After approval by the Regional Manager, the recommendation shall be referred to the Director, Labor Relations or his/her designee, for review and approval. Written termination recommendations must be approved by the Business Unit Head, the Head of Human Resources, the General Counsel and the Chief Ethics Officer (for ethics issues as appropriate).

After the necessary approvals have been obtained the employee will meet with his/her supervisor and the Facility Labor Relations representative. The manager will inform the employee that his or her employment has been terminated and the Labor Relations or HR representative will advise him or her concerning benefits eligibility. If an employee is not informed in person, Labor Relations will work with management to notify the employee by letter at his or her last known residence.

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

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- 5.2.3 The termination justification memo is for internal use only and is not a part of the personnel record. Labor Relations will retain a copy of the approved termination justification.
- 5.2.4 If a bargaining unit employee has been terminated from employment and wishes to appeal that decision, he or she must follow the grievance procedures outlined in the Collective Bargaining Agreement.

5.3 Resignations/Retirements

- 5.3.1 Management employees must provide at least two weeks' written notice of their resignation prior to the effective date of their separation from service in order to be eligible for payment of unused accrued vacation time (see EP 3.2, Vacation).
- 5.3.2 Once proper notification is received by Human Resources, an exit interview will be scheduled with the employee. NYPA property in their possession will be returned on the last day of employment. Employees will receive a reasonable period to return any other NYPA property.
- 5.3.3 When an employee separates from NYPA for any reason other than an involuntary termination, he/she must physically be at work on his/her last day of employment. Vacation, floating holidays, or sick time may not be used on an employee's last day of work. Exceptions to this rule must be approved by the Head of Human Resources.
- 5.3.4 Upon retirement, in addition to payment of unused accrued vacation time, Management employees may elect to cash out up to 100 days of unused accrued sick leave, apply up to 165 unused accrued sick days toward service credit with the New York State and Local Retirement System ("Retirement System"), or cash out a portion of their sick leave (up to 100 days) and apply a portion (up to 165 days) towards Retirement System service credit. Upon retirement for bargaining unit employees, use of unused accrued sick and vacation time is contained in the applicable Collective Bargaining Agreement.
- 5.3.5 Employees who retire must have an Application for Service Retirement on file with the New York State and Local Retirement System at least 15 days, but not more than 90 days prior to their retirement date. In order to be eligible for NYPA benefits in retirement, employees must meet the eligibility criteria outlined in EP 3.1, Management Employee Categories and Eligibility for Benefits. Eligibility for NYPA benefits in retirement for bargaining unit employees is contained in the applicable Collective Bargaining Agreement for bargaining unit employees.

6 VIOLATIONS

N/A

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

7 REFERENCES

- 7.1** EP 3.1 Management Employee Categories and Eligibility for Benefits
- 7.2** EP 3.2 Vacation
- 7.4** EP 4.3 Termination Dispute Resolution

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/13/2016
Executive Owner	Pollack, Rani	5/12/2016
Content Owner	Bodolato, Diana	5/12/2016

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.



Title: Severance Policy

Document Type: Employee Policy

Document Number: EP 1.7

Revision Date: 4/1/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Severance Policy

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
4/1/2016	3	Uploaded information to a new format. This policy had two (2) revisions under the old format.	N/A	Rani Pollack Director, HR & Employee Relations
		Expanded on the definition of an eligible employee	3	
		Defined and expanded severance pay	3	
		Detailed payment schedule	5.1	
		Explained which payroll deductions can and cannot be made from severance pay	5.4	

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This Policy provides guidelines specifying the details surrounding severance pay.

2 APPLICABILITY

- 2.1** This policy is applicable to Management full-time and part-time Permanent, Provisional and Transitional employees as defined by EP 3.1 Management Employee Categories and Eligibility for Benefits. This policy is not applicable to Temporary employees. Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Company's payroll system, or who are classified by the Company as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its subsidiaries or successors.
- 2.2** Severance pay shall be given to an eligible employee who is involuntarily terminated [1] through no fault of their own [2] As a result of a layoff, reduction-in-force, restructuring, or reorganization.
- 2.3** Instances or actions where an employee is not eligible to receive severance:
- a. Voluntarily resignation; or
 - b. Termination for cause; or
 - c. In the event of a takeover of all or part of an Authority facility or asset, where an employee is offered a comparable position with the new employer, and the employee declines the offer; or
 - d. In the event that an employee is offered a comparable position with NYPA, and the employee declines the offer

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Week of base salary- annual salary divided by 52; such calculation does not include overtime pay

Eligible employees- Management full-time and part-time Permanent, Provisional and Transitional employees as defined in EP: 3.1, Management Employee Categories and Eligibility for Benefits

Management employee- is a non-union employee

Severance pay- a payment offered to eligible employees. Such payment is calculated based on the impacted employee's current base salary and length of service.

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the SVP, Human Resources unless otherwise noted herein.

5 POLICY IMPLEMENTATION

5.1 Eligible employees are offered severance in accordance with the following pay schedule:

Length of Service	Severance Pay
< 1 year	1 week of base salary
1 year	2 weeks of base salary
2 years	4 weeks of base salary
3 years	6 weeks of base salary
4 years	8 weeks of base salary
5 years	10 weeks of base salary
6 years	12 weeks of base salary
7 years	14 weeks of base salary
8 years	16 weeks of base salary
9 years	18 weeks of base salary
10+ years	20 weeks of base salary (max payout)

5.2 The severance will be prorated on a monthly basis. Any portion of a month of service will be counted as a full month.

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5.3 Severance pay will be paid out in a separate lump sum check to be issued as soon as administratively possible within the normal pay schedule.

5.4 Payroll Deductions

5.4.1 Vacation time taken in excess of accrued time will be deducted from severance pay.

5.4.2 The following cannot be deducted from severance pay including but not limited to: New York State and Local Retirement System and Voluntary Defined Contribution Plan deductions; 401(k) and 457 plan contributions and loan payments; health, life, disability, Flexible Spending Account deductions, etc. or any amounts owed for property not returned.

5.4.3 Severance payments are subject to applicable federal, state and local taxes.

6 VIOLATIONS

N/A

7 REFERENCES

EP 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	4/1/2016
Executive Owner	Pollack, Rani	4/1/2016
Content Owner	Bodolato, Diana	4/1/2016

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

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Title: Sick Leave Policy

Document Type: Employee Policy

Document Number: EP 3.9

Revision Date: 5/16/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Sick Leave Policy

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/16/2016	5	Contingent workers are not eligible	2	Brenda Verdesi, Manager, Benefits
		Revise sick time accrual for employees on leave	5.1.4	
		Allow all sick time to be used for family illness	5.2	
		Added wording about use of sick time during Family & Medical Leave Moved Sick Leave at Half-Pay to new Policy 3.10 Salary Continuation	5.2.6	
		Change wording of Salaried to Management	Various	
04/10/2015	4	Converting to new format. There were 3 prior revisions of this policy.	N/A	Brenda Verdesi Manager, Benefits

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS** where you will find a statement which pertains to all Employee Policies including this one.

1 PURPOSE AND SCOPE

This policy provides guidelines for the accrual and use of sick leave credits and long-term disability for management employees.

2 APPLICABILITY

This policy applies to certain management, permanent and provisional employees, as described in EP 3.1 Management Employee Categories and Eligibility for Benefits.

This policy excludes contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EML - Employee Medical Leave, refer to EP 3.3

FML – Family Medical Leave, refer to EP 3.3

FMLA - the Family and Medical Leave Act policy, refer to EP 3.3

Management Employee – all non-union NYPA employees

NYPA – New York Power Authority or “the Authority”

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Sick Leave Accrual

5.1.1 Full-time management 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

5.1.2 Part-time management 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.

5.1.3 There is no maximum on the amount of sick leave credits that may be carried over from one year to another.

- 5.1.4 If, for an entire pay period, an employee is on a personal leave of absence without pay, medical leave extending beyond 12 weeks of FMLA (see EP 3.3), or long term disability, s/he will not accrue sick leave credits until they return to work.
- 5.1.5 In the event of death, payment for accrued and unused sick leave will be paid first to the beneficiary as named in the employee's group life insurance policy as permissible under the NYS Surrogates Court Procedure Act § 1310 ("SCPA") with the remainder (if any) being paid to the estate of the decedent. If no allocation is permissible under the SCPA, the entire amount of unused vacation will be paid to the estate of the decedent.
- 5.1.6 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 EP 3.1.) Details on payout options at retirement are available in the Retiree Benefits Guide on the PowerNet.

5.2 Sick Leave Usage

- 5.2.1 Sick time shall not be substituted for any other types of absences and may only be used for:
 - a) an employee's illnesses or injuries
 - b) an employee's trips to a health care provider (including reasonable travel and actual visit time)
 - c) a family member's illness or injury as specified in Section 5.2.4 below
 - d) Family Medical Leave and Parental Leave as specified in EP 3.3 and EP 3.10
- 5.2.2 Employees must notify their supervisor of any sick time absence as soon as practicable, and keep the supervisor informed as to their expected date of return. 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.
- 5.2.3 Accrued sick leave may only be used in full or half-day increments. 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.
- 5.2.4 A family member is a child, spouse, parent (not parent-in-law), or domestic partner whose eligibility documentation has been verified and approved by the designated Human Resources Representative in the White Plains Office according to the Authority Domestic Partner policy qualifying criteria prior to using accrued sick leave.
- 5.2.5 When absences exceed five (5) consecutive days, an employee or supervisor must notify the designated Human Resources representative, at which point the FMLA process will be initiated for eligible employees and the leave will be designated under FMLA leave (See EP: 3.3).
- 5.2.6 Employees on approved EML must exhaust all accrued sick time before becoming eligible for salary continuation (see EP 3.10 for more details.) Employees on approved FML must use sick time before using unpaid absence. Employees on approved Parental Leave are required to use sick time during the five day waiting period before becoming eligible for salary continuation (see EP 3.10 for more details.) The use of sick time does not alter the status of the leave as FMLA leave, extend the FMLA leave, or extend any Authority provided job security periods.

- 5.2.7 The Authority may require [a] written medical documentation of an illness or injury, and/or [b] that the employee be examined by a physician designated by the Authority before approving the use of any sick leave 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.
- 5.2.8 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 FMLA, performance issue, etc.] to prevent abuse of this benefit.

5.3 Long Term Disability

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 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 Management Employees on the NYPA PowerNet.

6 VIOLATIONS

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.

7 REFERENCES

- 7.1 EP 3.1 Management Employee Categories and Eligibility for Benefits
- 7.2 EP 3.3 Family & Medical Leave Act
- 7.3 EP 3.10 Management Salary Continuation Policy
- 7.4 Employee Benefits Handbook

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/16/2016
Executive Owner	Saslow, Karina	5/13/2016
Content Owner	Verdesi, Brenda	5/13/2016



Title: Termination Dispute Resolution

Document Type: Employee Policy

Document Number: EP 4.3

Revision Date: 3/31/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Pollack, Rani
Director HR & Employee Relations

Content Owner: Bodolato, Diana
Employee Relations Specialist

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Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Termination Dispute Resolution

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
3/31/2016	10	Uploaded information to a new format. This policy had nine (9) revisions under the old format.	N/A	Rani Pollack Director, HR & Employee Relations
		Changed title to "Termination Dispute Resolution" from "Dispute Resolution"	N/A	
		Deleted- dispute resolution option for policy and performance review concerns which can be addressed through EP 4.2, Performance Improvement or with Human Resources	Multiple sections	
		Added- the Committee may reach out via a scheduled telephone conference call to the former employee if they have questions or additional detail is necessary.	5.1.2	

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Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

Termination Dispute Resolution is an internal process that Management employees may use to appeal their termination of employment.

2 APPLICABILITY

This Policy applies to all Management, Provisional and Transitional Authority employees below the level of Vice President as defined by EP: 3.1 entitled "Management Employee Categories and Eligibility for Benefits". This policy does not apply to Temporary employees.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

EMC- Executive Management Committee

Management- non-union employees

Provisional Employee- Employed on a full-time basis (37 1/2 or 40 hours per week) 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.

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.

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.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Termination Dispute Resolution

- 5.1.1 If a terminated employee wishes to appeal that decision, he/she must submit a detailed written description explaining the issue(s) to the SVP, Human Resources no later than five business days following notification of termination. This submission must be received, or have a postmark date, by the 5th business day subsequent to the termination date.

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For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

- 5.1.2 For termination dispute resolution, a Review Committee will be convened consisting of three EMC members as selected by the President or designee and will not include the SVP, Human Resources or any EMC member that is involved in the termination decision. The Committee will review the employee's submission, as well as any other documents relevant to the decision to terminate the employee. If the Committee has questions for the former employee, the Committee will reach out to the former employee via a scheduled telephone conference call. Thereafter, the Review Committee will forward to the former employee, a written determination regarding the outcome of the dispute resolution process.
- 5.1.3 The Review Committee's decision is final and will conclude the Authority's review of the termination.

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1 EP: 3.1 Management Employee Categories and Eligibility for Benefits
- 7.2 EP: 4.2 Performance Improvement

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

N/A

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E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	3/31/2016
Executive Owner	Pollack, Rani	3/30/2016
Content Owner	Bodolato, Diana	3/30/2016

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.



Title: Transfer or Re-Employment in Public Service

Document Type: Employee Policy

Document Number: EP 1.9

Revision Date: 5/4/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Policy Title:
**Transfer or Re-Employment in Public
Service**

Policy Number:
EP 1.9

Page:
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**Transfer or Re-Employment in Public
Service**

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/4/2016	7	Change wording of Salaried to Management Contingent workers are not eligible Eliminated reference to retirees with 211 or 212	Various 2.2 5.0	Brenda Verdesi, Manager, Benefits
10/27/2015	6	Correction to Direct Transfer Retiree Benefits total years of eligible service	5.1	Karina Saslow Director, Total Compensation & HRIS
10/19/2015	5	Converting to new format. There were 4 prior revisions of this policy. Clarification of eligibility and new service requirements for retiree benefits. Addition of application.	N/A 2, 3, 5, 9	Brenda Verdesi Manager, Benefits

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

This policy provides guidelines pertaining to the potential transfer of vacation and sick leave accruals and retention of hire date for employees reemployed by New York Power Authority (NYPA) or who directly transferred from New York State service, as defined below.

2 APPLICABILITY

- 2.1** Eligible Employees include any management full-time or part-time permanent or provisional NYPA Employees. This policy does not apply to Temporary Employees, as defined in EP 3.1.
- 2.2** Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Company's payroll system, or who are classified by the Company as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.
- 2.3** Eligible Service may be considered for Employees who directly transfer from other eligible New York State Service within one year of their termination from such service (referred to as Direct Transfers), and participated in the New York State and Local Retirement System. Former NYPA Employees who are re-employed by the Authority (referred to as Rehires) are eligible for service credit as stated in Section 5.0.
- 2.4** For purposes of service credit, this policy does not apply to the New York State and Local Retirement System or the Voluntary Defined Contribution Plan.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Boards of Cooperative Educational Services (BOCES) – New York State shared educational programs and services that partner with districts to provide a broad range of services to help meet the evolving educational needs of students.

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 or BOCES.

Management – non-bargaining unit NYPA employees.

New York State (NYS) Service – Includes Executive, Legislative, or Judicial branches, a Civil Division thereof, or a NYS Public Benefit Corporation service with respect to retirements.

NYS Public Benefit Corporation – For the purpose of administering this policy only, a NYS Public Benefit Corporation shall be limited to those identified in the OSC Guide to Financial Operations, Chapter XVI, Section 3.F.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Rehires\Direct Transfers

Vacation and sick leave accruals, service credit and retiree benefit eligibility will apply as stated in the following table:

Service Credit Employee Type	Rehired (less than 1 year)	Rehired (greater than 1 year)	Direct Transfer within 1 year
Date of Hire	Retain original NYPA hire date	Reset to NYPA rehire date	Retain previous employer hire date
Vacation/Sick Leave/Service Awards	Credit for prior NYPA service	No credit for prior NYPA service	Credit for previous employer service
Service Requirement for Retiree Benefits (Hired\rehired prior to January 1, 2016)	10 years of NYPA service	10 years of NYPA service; at least 5 must be since rehire date	10 years of eligible service; at least 3 must be with NYPA
Service Requirement for Retiree Benefits (Hired\rehired on\after January 1, 2016)	15 years of NYPA service	15 years of NYPA service; at least 5 must be since rehire date	15 years of eligible service; at least 5 must be with NYPA

5.2 Transition

Eligible Employees have six months from their date of hire with the Authority to submit a Prior Service Request Form (located on the Powernet under Human Resources\Benefits\Benefit Forms\Miscellaneous) to Corporate Benefits in WPO, and apply for an adjustment in their date of employment and service credits. Retrospective adjustment of benefits shall be made when applications are approved by the designated Benefits Department representative.

6 VIOLATIONS

N/A

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Policy Title:
**Transfer or Re-Employment in Public
Service**

7 REFERENCES

EP 3.1 Management Employee Categories and Eligibility for Benefits

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Year

9 ATTACHMENTS

N/A

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Policy Title:
**Transfer or Re-Employment in Public
Service**

Policy Number:
EP 1.9

Page:
6 of 6

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/4/2016
Executive Owner	Saslow, Karina	4/8/2016
Content Owner	Verdesi, Brenda	4/5/2016

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.



Title: Vacation

Document Type: Employee Policy

Document Number: EP 3.2

Revision Date: 5/17/2016

Final Approver: *Pizzo, Kristine*
SVP HR & Enterprise Shared Services

Executive Owner: Saslow, Karina
Director Total Compensation & HRIS

Content Owner: Verdesi, Brenda
Manager Benefits

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

Vacation

Note: Revision # should be listed in descending order starting with most recent version at the top.

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
5/17/2016	13	Change wording from Salaried to Management Policy does not apply to contingent workers. Revise vacation accrual for employees on leave Submitting vacation requests Added wording about use of vacation during Family & Medical Leave Deceased employee accrued vacation will be paid out according to Legal Department procedures Clarify wording and change Vacation Buy-Back to Vacation Cash Out Added vacation donation policy (moved from EP 3.3 Family & Medical Leave policy)	Various 2.0 5.1.1(d) 5.2.1 5.2.4 5.4 (e) 5.5 5.6	Brenda Verdesi Manager, Benefits
04/10/2015	12	Converting to new format. There were 11 prior revisions of this Policy.	N/A	Brenda Verdesi Manager, Benefits

Please refer to Employee Policy EP 0.0 NYPA **DISCLAIMERS where you will find a statement which pertains to all Employee Policies including this one.**

1 PURPOSE AND SCOPE

NYPA recognizes the importance of vacation time in providing the opportunity for rest, recreation, and personal activities, and therefore grants annual paid vacation leave for its management employees.

2 APPLICABILITY

Permanent and provisional management employees that meet the eligibility criteria set forth in Section 5.1 Eligibility for Vacation (see EP 3.1, Management Employee Categories and Eligibility for Benefits Policy, for employee category definitions). Temporary employees are not eligible.

Contingent workers whose compensation is paid directly by a third party, who are not paid directly through the Authority's payroll system, or who are classified by the Authority as consultants and/or independent contractors, are not eligible for or entitled to participate in or receive benefits under any benefit plan, policy, or practice offered by the Authority, its parents, affiliates, subsidiaries, or successors.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Management – non-bargaining unit NYPA employees.

4 RESPONSIBILITY

Responsibility and oversight of this policy resides with the approver unless otherwise noted here in.

5 POLICY IMPLEMENTATION

5.1 Eligibility for Vacation

5.1.1 Permanent full-time management employees are credited with vacation days as follows:

- a) Employees are credited with 20 vacation days on January 1 of each year.
- b) In an employee's first year of NYPA employment, vacation days are credited on a pro-rated basis (rounded up to the nearest half day), based on the employee's date of employment (1/12th of 20 vacation days, or 1 2/3 days for each month of service). For example, if employment began in April, the employee receives 15 vacation days for the year. If employment began in December, the employee receives two vacation days.

- c) Employees who have 11 or more years of eligible NYPA service will be credited with an additional ½ vacation day on January 1 immediately after they attain 11 years of eligible service. (See EP 1.9, Transfer or Re-Employment in Public Service, for transferred time eligibility criteria.) For each succeeding year of service, another ½ day will be credited on the following January 1st of each year until a maximum of 25 days per year is credited upon the January 1st after reaching 20 years of service.
 - d) Employees on a personal leave of absence without pay, a medical leave extending beyond 12 weeks of FMLA (see EP 3.3), or long term disability on January 1, will not be credited with vacation days until they return to work, at which point vacation days will be credited on a pro-rated basis for the full months worked during the year. Employees who go out on a medical leave or a leave of absence without pay after being credited with their vacation days on January 1, and remain employees, will keep the vacation days that were granted on January 1.
- 5.1.2 Permanent part-time management employees are credited on a pro-rated basis contingent on the assigned number of hours worked per week. If part-time employees become full time during the year, their vacation days for the year will be adjusted on a pro-rated basis.
- 5.1.3 Provisional management employees, employed on January 1, are credited with 10 vacation days per year for their first two full years of employment, and 15 vacation days in their third year. In the first calendar year of provisional employment, vacation will be pro-rated for each month of service.

5.2 Vacation Usage

- 5.2.1 Employees are encouraged to submit vacation requests to Supervisors as far in advance as practicable. Some Business Units, Sites, or Departments may require the vacation request in writing. Supervisors will make every effort to accommodate requests, but must balance schedules and workloads in order to meet the department's needs.
- 5.2.2 New employees may use vacation time immediately with the approval of their supervisor
- 5.2.3 Employees may use vacation days in full or half-day increments. However, supervisors may allow employees to make up lost time through flexible scheduling by working extra hours on other days instead of using vacation time.
- 5.2.4 An employee on an approved FMLA leave (see EP 3.3) who wants to use accrued vacation or floating holiday time to cover any part of that leave must make a request to HR. Without notification, accrued vacation or floating holiday time will not be

automatically applied. The use of vacation or floating holiday time does not alter the status of the leave as FMLA leave, extend the FMLA leave, or extend any Authority provided job security periods.

- 5.2.5 Excessive requests for time off, or taking vacation time without prior approval, should be handled by supervisors as performance problems in accordance with EP 4.2, Performance Improvement Policy.
- 5.2.6 Once an employee has submitted a voluntary resignation or retirement, vacation usage is subject to supervisory approval. However, an employee must physically be at work on his/her last day of employment. Any action varying from the guidelines must be approved by the Head of Human Resources.

5.3 Vacation Carryover

Regardless of how many vacation days employees are credited with at the beginning of the year, no more than 40 vacation days may be carried over from year to year. For example, on December 31st an employee has the maximum vacation accumulation (40 days) and is credited with an additional 20 days on January 1, the employee's total balance would be 60 days on January 1. If by December 31 of that year the employee still has more than 40 days of accumulated vacation time, the vacation balance will be reduced to 40 days.

However, due to extenuating circumstances, any action varying from the guidelines may be approved by the respective Business Group and Business Unit/Department Heads with concurrence from the Human Resources Department Head or their designee. Any such request must be forwarded to the Human Resources Department Head as soon as possible and no later than January 10th of the year in which the vacation accumulation exceeds the 40-day maximum. If the request is granted, and the employee subsequently leaves the Authority, the employee would only be paid a maximum of 40 days' vacation upon termination of employment.

5.4 Pay in Lieu of Vacation

Payment in lieu of accumulated vacation, not exceeding a maximum of 40 days, may be made for employees who have completed at least six months of service under the following conditions:

- a) When an employee resigns, provided the employee gives NYPA at least two weeks' written notice. Employees that resign without two weeks' notice will not be paid out for accrued vacation time.
- b) When an employee's services are terminated by NYPA.
- c) When an employee resigns, is terminated, or retires, the employee will receive payment for the current year's accumulated vacation on a pro-rated basis (1/12th

of yearly vacation days for each month of service). This will be added to any days that were carried over from the prior year, up to a maximum vacation payment of 40 days. If an employee has already used more than the equivalent of 1/12th of their yearly vacation days for each month of service, payments for those days must be repaid to NYPA (to the extent possible, payment will be withheld from the employee's final paycheck).

- d) When an employee resigns or is terminated prior to six months of service, the employee is not eligible for payment of vacation days, and payment for any vacation time taken within the first six months of employment must be repaid to NYPA (to the extent possible, payment will be withheld from the employee's final paycheck).
- e) In the event of death, payment for unused vacation will be paid first to the beneficiary as named in the employee's group life insurance policy as permissible under the NYS Surrogates Court Procedure Act § 1310 ("SCPA") with the remainder (if any) being paid to the estate of the decedent. If no allocation is permissible under the SCPA, the entire amount of unused vacation will be paid to the estate of the decedent.

5.5 Vacation Cash Out Program

- 5.5.1 If a vacation cash out is offered and announced by Human Resources, employees will be advised of the number of accrued vacation days they can request to be paid by NYPA. Once the payment is made to the employee, his/her vacation accrual will be reduced by the number of days paid out.
- 5.5.2 When the announcement is made by Human Resources, employees must submit a Vacation Cash Out Request form, to Payroll within the specified timeframe. The form is available on the Powernet under Payroll Forms. Requests received after the announcement deadline date will not be honored or processed.
- 5.5.3 The vacation "cash out" check will be issued separately from the regular bi-weekly paychecks. In addition to taxes, Employees' Savings Plan (401(k) plan) and Deferred Compensation Plan (457 plan) deductions, if applicable, will be withheld from the check. Employees' Savings Plan or Retirement System loan repayments will not be deducted from the check.
- 5.5.4 The vacation "cash out" payment does not constitute salary as defined by the Retirement and Social Security Law. Therefore, Tier 3 through 6 contributions, if applicable, will not be deducted from the vacation cash out check, nor will the cash out be reported to the

Retirement System as wages. Therefore, the value of the “cash out” will not be included in the calculation of an employee’s Final Average Salary.

5.6 Vacation Donation Program

Management employees who are on an approved medical leave are eligible to receive vacation leave that has been donated by other management employees.

5.6.1 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, salary continuation, long-term disability) is not eligible to receive donated vacation leave.

If an eligible employee exhausts his or her accumulated sick and vacation leave credits, the business 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 unit/department head should consider factors such as the employee's attendance record. The business 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 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).

5.6.2 Who May Donate

An employee who has accumulated vacation leave credits and who is on the active payroll may donate vacation leave.

5.6.3 Donated Vacation information

An employee may donate vacation leave in increments of one day. A donating employee must be left with a remaining vacation leave balance of at least 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.

An employee who wishes to donate vacation leave must complete a Vacation Donation Form (Attachment 9.1) and send to their designated HR Representative. All requests will be reviewed by the Business Unit/Department Head with concurrence from the Human Resources Department Head or their designee.

6 VIOLATIONS

N/A

7 REFERENCES

- 7.1** EP 1.9, Transfer or Re-Employment in Public Service
- 7.2** EP 3.1, Management Employee Categories and Eligibility for Benefits Policy
- 7.3** EP 4.2, Performance Improvement Policy
- 7.4** EP 3.9, Sick Leave Policy
- 7.5** Vacation Cash Out Request form

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision Cycle: Every Other Year

9 ATTACHMENTS

Attachment 9.1 Vacation Donation Form

ATTACHMENT 9.1: VACATION DONATION FORM

Vacation Donation Form – For Management Employees

To: WPO Payroll

Donor's Name (Please print)

Date

Department

Location

Extension

Number of vacation days to be donated

Donated To

Signature

Date

cc: Recipient

E-Signature Approval History

Role	Name	Approved Date
Final Approver	Pizzo, Kristine	5/17/2016
Executive Owner	Saslow, Karina	5/17/2016
Content Owner	Verdesi, Brenda	5/17/2016

2016 Confidential Evaluation of NYPA Board Performance Summary

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
1. Board members have a shared understanding of the mission and purpose of the Authority.	5			
2. The policies, practices and decisions of the Board are always consistent with this mission.	5			
3. Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	5			
4. The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	5			
5. The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	4	1		
6. The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	3	2		
7. Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	4	1		
8. Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	5			
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.	3	2		
10. The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	5			
11. Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	5			
12. Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4	1		
13. Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	4	1		
14. The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	5			
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.	5			
16. Board members demonstrate leadership and vision and work respectfully with each other.	5			

Date Completed: March 21 2017

PROCUREMENT CONTRACTS SUMMARY **January - June 2017**

In accordance with the Procurement Guidelines, "procurement contracts" are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority's White Plains office, facilities (including Canal Corporation), operations and maintenance ("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 through June 30, 2017. These contracts have been active during 2017 and are \$5,000 or greater in value. There are 1,931 such contracts with a total estimated value of more than \$4.7 billion not including fossil fuel or corporate finance expenditures covered in Sections 2b-5 and 2b-6 of this report. Total expenditures thus far in 2017 have exceeded \$239 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:

- 13% of these contracts are for Construction Services;
- 40% are for the purchase of Equipment and Commodities;
- 2% are for Architectural and Engineering Services;
- 2% are for Legal Services;
- 16% are for Personal Service contracts such as professional consulting services;
- 27% are for Non-Personal Service contracts such as maintenance, technicians, contracted personnel and repairs.

Based on the total value of the contracts included in this summary (\$4.7 billion), approximately 99% of contracts (with a total contract value of approximately \$4.7 billion), were competitively bid. Thus far in 2017, approximately 1% of contracts (with a total contract value of approximately \$33 million), were sole/single-source awards, which included over \$2 million in Minority- and Women-owned Business Enterprises (MWBES), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

DISPOSAL OF PERSONAL PROPERTY **January – June 2017**

January through June 2017 YTD 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 in excess of \$5,000 in value that was 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 2017 YTD 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 2016 Annual Report of Disposal of Personal Property for review and approval by the full Board of Trustees at their March 2017 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 2017 Public Authorities Reporting Information System (“PARIS”) Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2018.

FACILITIES and WPO – First and Second Quarter 2017 Activity and YTD Summary

During the reporting period, there were six (6) Personal Property Disposal transactions over \$5,000 in value, as further set forth on page 1 of the attached Report. Of this number, one transaction was for the sale of certain refrigerant tanks through competitive bid resulting in payment to the Authority in the amount of \$6,723.88; three transactions were for the sale of scrap metals at the St. Lawrence Project, conducted under an existing competitively bid contract with Casella Waste Systems, Inc., resulting in payment to the Authority of \$35,907.65; and two were associated with the sale, through competitive bid, of CO2 and hydrogen cylinders at the St. Lawrence and Niagara Projects for \$19,000.00 and \$22,700.00, respectively.

The January through June 2017 Total “Price Received by the Authority” for these six Personal Property Disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) at the Facilities was \$84,331.53.

FLEET – First and Second Quarter 2017 Activity and YTD Summary

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 J.J. Kane Associates, Inc. (DBA J.J. Kane Auctioneers (of Delran, NJ) on May 6, 2017. Of thirty-four vehicles sold for \$233,550, twenty-one vehicles had an assessed sale price or fair market value in excess of \$5,000 and these sales resulted in payment to the Authority of \$192,100. This value is net of transportation and other fees, as fully detailed in the attached report.

In summary, the January through June 2017 YTD Fleet Total “Price Received by the Authority” for the sale of twenty-one vehicles with an assessed sale price or fair market value exceeding \$5,000 (less transportation and other fees) was \$192,100.00.

Grand Total as of 06/30/17

As summarized on page 2 of the attached Report, the 2017 YTD Grand Total “Price Received by the Authority” for all Personal Property in excess of \$5,000 was **\$276,431.53.**

POWER AUTHORITY OF THE STATE OF NEW YORK

YTD JUNE 2017 REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
REFRIGERANT TANKS AT NIAGARA AND ST LAWRENCE PROJECTS	AIRGAS USA LLC, DBA FOR AIRGAS, INC.	\$ 6,723.88	\$ 6,723.88
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SYSTEMS, INC.	\$ 9,994.00	\$ 9,994.00
CO2 AND HYDROGEN CYLINDERS AT ST LAWRENCE PROJECT	AMERITANX, INC.	\$ 19,000.00	\$ 19,000.00
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SYSTEMS, INC.	\$ 15,757.03	\$ 15,757.03
SCRAP METALS AT ST LAWRENCE PROJECT	CASELLA WASTE SYSTEMS, INC.	\$ 10,156.62	\$ 10,156.62
CO2 CYLINDERS AT NIAGARA PROJECT	AMERITANX, INC.	\$ 22,700.00	\$ 22,700.00
	SUBTOTAL:	\$ 84,331.53	\$ 84,331.53

POWER AUTHORITY OF THE STATE OF NEW YORK

YTD JUNE 2017 REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by the Authority
2000 HYSTER FORKLIFT	POWER & CONSTRUCTION GROUP INC	\$ 13,500.00	\$ 100.00	\$ 13,400.00
2004 JLG 450AJ MANLIFT	AMAZING MOTORS	\$ 21,000.00	\$ 100.00	\$ 20,900.00
2004 JLG 600S MANLIFT	NICHOLAS KRYWOSA	\$ 2,000.00	\$ 100.00	\$ 21,900.00
2005 YALE GLP06-TG FORKLIFT	DAN DIMOND EQUIPMENT INC	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2008 CHEVY IMPALA	UPSTATE AUTO SALES INC	\$ 5,500.00	\$ 100.00	\$ 5,400.00
2008 FORD ESCAPE	UPSTATE AUTO SALES INC	\$ 5,100.00	\$ 100.00	\$ 5,000.00
2008 FORD ESCAPE	JULIAN PADUANA	\$ 5,200.00	\$ 100.00	\$ 5,100.00
2008 FORD ESCAPE	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2008 FORD ESCAPE	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2008 FORD ESCAPE	DILCIA BARROS	\$ 5,750.00	\$ 100.00	\$ 5,650.00
2008 FORD F350 PICKUP	UPSTATE AUTO SALES INC	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2008 FORD F550 PICKUP	CNY SEALCOATING & CONCRETE LLC	\$ 3,750.00	\$ 100.00	\$ 13,650.00
2009 CHEVY IMPALA	THOMAS BROWN	\$ 6,250.00	\$ 100.00	\$ 6,150.00
2009 DODGE DURANGO	CHAMPION INTERNATIONAL	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2011 FORD F350 PICKUP	ICAR AUTO SALES LLC	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2011 FORD F350 PICKUP	CHRIS ALBICKER	\$ 1,000.00	\$ 100.00	\$ 10,900.00
2011 FORD FUSION	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2011 FORD FUSION	UPSTATE AUTO SALES INC	\$ 5,250.00	\$ 100.00	\$ 5,150.00
2011 TOYOTO HIGHLANDER	L&V DOM & IMPORTED AUTO SALES INC	\$ 2,500.00	\$ 100.00	\$ 12,400.00

* Sale Price less transportation and other costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK

YTD JUNE 2017 REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

FLEET OPERATIONS (CONTINUED)

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by the Authority
2012 FORD FUSION	RWC ENTERPRISES	\$ 6,450.00	\$ 100.00	\$ 6,350.00
2012 FORD FUSION	CJ'S CAR AMERICA	\$ 6,950.00	\$ 100.00	\$ 6,850.00
FLEET SUBTOTAL:		\$ 194,200.00	\$ 2,100.00	\$ 192,100.00
+ SUBTOTAL Page 1:		<u>\$ 84,331.53</u>	--	<u>\$ 84,331.53</u>
GRAND TOTAL:		<u>\$ 278,531.53</u>	\$ 2,100.00	<u>\$ 276,431.53</u>

* Sale Price less transportation and other costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

SUPPLIER DIVERSITY PROGRAM (SDP)

January – June 2017

At the end of the Authority's 2nd quarter (June 30, 2017), the Authority expended a total of \$10.7 Million or 16.74% of its reportable expenditures to New York State-certified Minority and Women-Owned Business Enterprises (MWBEs). From January through June 2017, the Authority expended \$27.1 Million or 23.09% of its reportable expenditures to New York State-certified MWBEs. This figure includes both direct contracts and subcontracts, as well as construction and energy efficiency-related procurements. Treasury transactions with NYS-certified MWBE financial dealers for the first six months of calendar year 2017 resulted in \$374.7 Million or 39.56% in principal sales and purchases for the Authority.

Service-Disabled Veteran-Owned Business (SDVOB) utilization for the period April – June 2017 is \$543.8K or 11% with approximately \$932.6K expended since January 2017. The Authority's utilization of SDVOBs continues to increase. Additionally, SDVOB financial dealers transacted over \$ 298.2 Million or 31.4% in principal sales and purchases for the period January – June 2017.

The Authority's 2017 - 2018 MWBE goal is 30%. The Authority remains challenged in meeting this aggressive goal due to numerous factors; onboarding of the Canal Corporation, the conclusion of multiple energy efficiency contracts and NYPA's unique position as an energy producing utility. However, several mechanisms are in place to address this which includes the new procurement model and strategies with enhanced SAP tracking and reporting features, the use of Ariba Discovery and revised approaches in determining MWBE goal applications. These measures collectively will assist the Authority in its outreach to and utilization of diverse suppliers.

The new procurement model has brought about changes in the Authority's Supplier Diversity Program. Victoria Daniels is the new Manager of Supplier Diversity for the Authority a position which resides in the Supplier Relationship Management (SRM) pillar of the new Strategic Supply Management model. She assumed responsibility for the program June 1, 2017.

The new 2016 Disparity Study ("Study") was just released early July 2017. The Study is an evaluation of the participation by MWBEs in government contracting compared to the availability of MWBEs in the marketplace and determines whether race or gender based disparity continues to exist in New York State contracting. A review and analysis of the Study will commence shortly to determine its impact on the Authority. A copy of the Study can be found on Empire State Development Minority and Business Development's website.

INVENTORY STATISTICS
June 30, 2017

Facility	6/30/17	6/30/16	6/30/15
Niagara	18,159,715	18,146,386 ¹	20,968,632
St. Lawrence	15,369,791 ²	14,016,080 ³	11,907,971
Poletti Project	8,957,316	9,053,958	8,228,704
Flynn Project	7,391,615	7,083,189 ⁴	13,629,851
Blenheim-Gilboa	9,126,474	8,516,384	8,525,315
500 MW Project	26,938,226	25,936,090	25,324,561
Clark Energy Center	6,406,701	6,285,037	5,416,241
Canal Corporation	722,566	N/A	N/A
Total Stock Value	\$ 93,072,404	\$ 89,037,124	\$ 94,001,275

¹ 2016 Includes \$2.0 million reduction for NIA Dual Voltage Transformer installed in RM Unit 5 to replace the fire damaged transformer.

² 2017 Includes \$1.3 million for STL net purchases of:

765KV Disconnect Switches & Structure Supports	\$1,131k
230KV CT/VT Transformers	\$ 213k

³ 2016 Includes \$1.6 million for STL net purchases of:

Headgate Motor Control Panels	\$ 800k
765KV Disconnect Switches & Lattice Structure Supports	\$ 284k
Wood Poles - 70 & 75 Ft	\$ 272k
Reinhausen Transducer	\$ 172k
Lubron Bushings	\$ 66k

⁴ 2016 Includes \$6.2 million reduction for Flynn 2015 Major Outage:

Turbine Blades and Vanes	\$4.258 million
Turbine Inner Casing	\$1.305 million

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - JUNE 2017
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

Exhibit 2b-5
July 25, 2017

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	M W B E	B I D S	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 1Q & 2Q	AMOUNT EXPENDED 2017	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1		N	N	\$15,052,459	\$282,166	\$282,166	4/1/1994		3/31/2019	
FD-1990-34	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1		N	N	\$4,578,374	\$70,542	\$70,542	10/1/1993		3/31/2019	
FD-2002-11	PSEG EnergyResourcesTrade 80 Park Plaza Floor T-19 Newark NJ 07102	NAESB Agreement for Natural Gas	E	B		F	N	\$11,017,721	\$0	\$0	11/1/2002		*	
FD-2003-09	J. Aron and Company 85 Broad Street New York NY 10004	NAESB Agreement for Natural Gas	E	B		N	N	\$83,241,402	\$0	\$0	4/22/2003		*	
FD-2003-10	BP Energy Company 201 Helios Way Houston TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	\$210,472,430	\$1,232,438	\$1,232,438	10/1/2004		*	
FD-2003-12	Exelon Generation Company, LLC 1310 Point Street Baltimore MD 21231	NAESB Agreement for Natural Gas	E	B		F	N	\$55,860,651	\$0	\$0	6/9/2003		*	
FD-2003-14	Colonial Energy Inc. 3975 Fair Ridge Drive Fairfax VA 22033	NAESB Agreement for Natural Gas	E	B		F	N	\$512,214,674	\$5,063,264	\$5,063,264	7/1/2003		*	
FD-2003-15	Virginia Power Energy Mktg P.O. Box 25773 Richmond VA 23260	NAESB Agreement for Natural Gas	E	B		F	N	\$629,265,426	\$0	\$0	7/11/2003		*	
FD-2004-08	Shell Energy North America (US), L.P. 1000 Main Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	\$83,897,072	\$5,842,561	\$5,842,561	4/1/2004		*	
FD-2005-12	NJR Energy Services Co 1415 Wyckoff Road Wall NJ 07719	NAESB Agreement for Natural Gas	E	B		F	N	\$427,288,800	\$3,419,577	\$3,419,577	9/1/2005		*	
FD-2007-10	Eastern Generation, LLC 18-01 20th Avenue Astoria NY 11105	Oil Delivery Labor Fees	E	1		N	N	\$60,771	\$0	\$0	7/1/2006		*	
FD-2008-05	Sequent Energy Mgmt LP 1200 Smith Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	\$36,565,826	\$0	\$0	3/1/2008		*	
FD-2008-06	Macquarie Energy LLC 500 Dallas Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	\$47,096,447	\$0	\$0	7/1/2008		*	
FD-2008-09	Con Edison 4 Irving Place New York NY 10003	LDC Agreement	E	1		N	N	\$25,742,096	-\$534,558	-\$534,558	8/1/2008		6/30/2019	
FD-2008-10	United Energy Trading, LLC 215 Union Boulevard Lakewood CO 80228	NAESB Agreement for Natural Gas	E	B		F	N	\$158,345,320	\$0	\$0	11/19/2008		*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - JUNE 2017
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

Exhibit 2b-5
July 25, 2017

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	M W B E	B I D S	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 1Q & 2Q	AMOUNT EXPENDED 2017	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2009-07	Conoco Phillips Company 600 North Dairy Ashford Houston TX 77079	NAESB Agreement for Natural Gas	E	1		F	N 32	\$41,228,184	\$3,052,205	\$3,052,205	5/1/2009		*	
FD-2009-08	NextEra Energy Power Marketing, LLC 700 Universe Blvd Juno Beach FL 33408	NAESB Agreement for Natural Gas	E	B		F	N 32	\$8,048,694	\$5,383,054	\$5,383,054	12/1/2009		*	
FD-2010-02	ENSTOR Energy Services, LLC 20329 State Highway 249 Houston TX 77070	NAESB Agreement for Natural Gas	E	B		F	N 32	\$17,725,534	\$25,500	\$25,500	8/9/2010		*	
FD-2011-06	EDF Trading North America, LLC 4700 West Sam Houston Houston TX 77041	NAESB Agreement for Natural Gas	E	B		F	N 32	\$193,010,353	\$8,176,709	\$8,176,709	6/1/2011		*	
FD-2011-10	Tenaska Gas Storage, LLC 14302 FNB Parkway Omaha NE 68154	NAESB Agreement for Natural Gas	E	B		F	N 32	\$1,251,315	\$0	\$0	12/1/2011		*	
FD-2011-11	Statoil Natural Gas, LLC 120 Long Ridge Road Stamford CT 06902	NAESB Agreement for Natural Gas	E	B		F	N 32	\$17,350,956	\$1,169,746	\$1,169,746	4/18/2012		*	
FD-2012-02	Repsol Energy North America Corporation 2455 Technology Forest Rd The Woodlands TX 77381	NAESB Agreement for Natural Gas	E	B		F	N 32	\$38,198,810	\$24,160	\$24,160	11/13/2012		*	
FD-2013-06	Chesapeake Energy Marketing, LLC P.O. Box 18496 Oklahoma City OK 73154-0496	NAESB Agreement for Natural Gas	E	B		F	N 32	\$32,140,368	\$7,927,372	\$7,927,372	5/28/2013		*	
FD-2014-08	Spark Energy Gas, LLC 12140 Wickchester Lane Houston TX 77079	NAESB Agreement for Natural Gas	E	B		F	N 32	\$263,495,547	\$21,855,924	\$21,855,924	2/1/2014		*	
FD-2014-12	EQT Energy, LLC 625 Liberty Ave Pittsburgh PA 15222-3111	NAESB Agreement for Natural Gas	E	B		F	N 32	\$144,531	\$36,285	\$36,285	5/1/2014		*	
FD-2014-16	Pacific Summit Energy LLC 2010 Main Street Irvine CA 92614	NAESB Agreement for Natural Gas	E	B		F	N 32	\$41,034,820	\$2,887,892	\$2,887,892	8/11/2014		*	
FD-2015-03	Cabot Oil & Gas Corporation 840 Gessner Road Houston TX 77024-4152	NAESB Agreement for Natural Gas	E	B		F	N 32	\$2,439,304	\$0	\$0	3/2/2015		*	
FD-2015-05	DTE Energy Trading, Inc. 414 South Main Street Ann Arbor MI 48104	NAESB Agreement for Natural Gas	E	B		F	N 32	\$28,228,502	\$9,981,635	\$9,981,635	8/14/2015		*	
FD-2015-07	Definite Energy Group 575 Lexington Ave New York NY 10022	NAESB Agreement for Natural Gas	E	B		N	3 32	\$385,895	\$93,730	\$93,730	10/1/2015		*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - JUNE 2017
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879**

Exhibit 2b-5
July 25, 2017

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O N A	M W P A E	B I D S	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 1Q & 2Q	AMOUNT EXPENDED 2017	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2015-10	Direct Energy Business Marketing, LLC 194 Wood Ave South Iselin NJ 08830	NAESB Agreement for Natural Gas	E	B		F	N 32	\$940,748	\$131,250	\$131,250	12/14/2015		*	
FD-2016-01	Saybolt LP P.O. Box 844640 Dallas TX 752844640	Oil Inspection Agreement	P	B		N	N	\$5,599	\$5,599	\$5,599	1/1/2017	O	12/31/2019	
FD-2016-02	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AEII Demand Charges	E	1		N	N	\$7,823	\$3,233	\$3,233	5/1/2016		4/30/2019	
FD-2016-05	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1		F	N	\$389,551	\$389,551	\$389,551	4/1/2017	O	3/31/2018	
FD-2016-07	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1		N	N	\$176,187	\$176,187	\$176,187	4/1/2017	O	3/31/2018	
FD-2017-01	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement	E	1		N	N	\$241,844	\$241,844	\$241,844	6/1/2017	O	5/31/2018	
FD-2017-02	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1		N	N	\$105,215	\$105,215	\$105,215	6/1/2017	O	5/31/2018	
FS-1994-17	Merrill Lynch Commodities, Inc. 20 East Greenway Plaza Houston TX 77046	NAESB Agreement for Natural Gas	E	B		F	N 32	\$276,520,337	\$496,431	\$496,431	7/1/1994		*	
FD-2006-09	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1		F	N	\$16,642,323	\$384,809	\$384,809	8/4/2006	C	3/31/2017	3/31/2017
FD-2015-04	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1		N	N	\$3,471,497	\$236,106	\$236,106	1/1/2015	C	3/31/2017	3/31/2017
FD-2014-14	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement	E	1		N	N	\$5,386,764	\$926,994	\$926,994	5/30/2014	C	5/31/2017	5/31/2017
FD-2014-15	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1		N	N	\$1,200,619	\$72,463	\$72,463	5/30/2014	C	5/31/2017	5/31/2017

FUELS TOTALS

\$3,290,470,788

\$79,159,883

\$79,159,883

* Contract continues until terminated by NYPA or counterparty upon specified notice

POWER AUTHORITY OF THE STATE OF NEW YORK
CORPORATE FINANCE ACTIVITY
JANUARY THROUGH JUNE 2017
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

Exhibit 2b-6
July 25, 2017

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O N E Y	R O A D	O P E R A T I O N	M A I N T E N A N C E	B I D D E N	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2017	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N			515,231	515,231	13,157	-	2/24/1998	O	*	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N			220,766	220,766	9,966	-	10/2/2006	O	*	
Barclays Capital (assigned from Lehman Bros.) ** 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-1	S	C	9	N			1,838,885	1,838,885	56,138	-	7/14/1994	O	*	
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	2	9	N			10,775	10,775	-	-	6/26/2008	O	*	
Citigroup 390 Greenwich Street New York, NY 10013	Re-marketing Agent CP-2	S	C	9	N			1,066,585	1,066,585	41,524	-	12/4/1997	O	*	
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing Agent CP-2 and 3	S	C	9	N			1,076,001	1,076,001	6,257	-	12/4/1997	O	*	

POWER AUTHORITY OF THE STATE OF NEW YORK
CORPORATE FINANCE ACTIVITY
JANUARY THROUGH JUNE 2017
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

Exhibit 2b-6
July 25, 2017

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 S	M B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2017	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing EMCP	S	C	9	N		937,400	937,400	1,488	-	3/4/2003	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N		305,599	305,599	21,685	-	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N		636,009	636,009	5,386	-	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N		558,845	558,845	3,000	-	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2015	S	C	9	N	2	8,139,333	6,175,464	1,274,333	1,963,869	1/15/2015	O	1/19/2018	

POWER AUTHORITY OF THE STATE OF NEW YORK
CORPORATE FINANCE ACTIVITY
JANUARY THROUGH JUNE 2017
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

Exhibit 2b-6
July 25, 2017

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O N E Y	R O W S	O P E R A T I O N S	M B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2017	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Morgan Stanley 1221 Avenue of the Americas New York, NY 10020	Re-marketing Agent CP-1	S	C	9	N	7	435,531	435,531	16,768	-	3/31/2009	O	*	
RBC Capital Markets ** 1211 Avenue of the Americas New York, NY 10036	Re-marketing Agent CP-1	S	C	9	N		704,329	704,329	27,713	-	7/14/1994	O	*	
CORPORATE FINANCE TOTALS							16,445,291	14,481,422	1,477,413	1,963,869				

NOTES:

* Contract continues until terminated by NYPA or Counterparty upon specified notice

** Expense History only available from 1997

TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL CORPORATION

January – June 2017

2017 YTD Report of Transfer of Interest in Personal Property to Canal Corporation

Effective January 1, 2017, management and administration of the New York State Canal Corporation is an additional corporate purpose of the Authority. New York Public Authorities Law § 1005-b (2) authorizes the Authority to “transfer to the canal corporation any moneys, real, personal, or mixed property or any personnel in order to carry out the purposes of this section...” to the extent that the Authority’s Trustees deem it feasible and advisable. Under Public Authorities Law Title 5-A Disposition of Property by Public Authorities, the Trustees annually designate a contracting officer as part of their approval of the Guidelines for the Disposal of New York Power Authority Personal Property.

The Trustees’ authorized, on January 31, 2017, the Authority’s personal property Contracting Officer to transfer any interest in Authority personal property to the Canal Corporation, as the Contracting Officer deems prudent after balancing the respective needs of the Authority and the Canal Corporation, will facilitate the Canal Corporation’s obligations to operate, maintain, construct, reconstruct, improve and develop the canal system. The Contracting Officer will authorize the transfer of Authority personal property or any interest therein only at the request of Canal Corporation. The Contracting Officer will authorize the transfer to Canal Corporation any interest in Authority personal property, valued at up to \$500,000 per transaction, in parity with the authorization level and signing authority set forth in the Guidelines for the Disposal of New York Power Authority Personal Property. Additionally, the Contracting Officer will report to the Trustees or committee thereof regarding such property transfers. To that end, the 2017 YTD Report Transfer of Interest in Personal Property to Canal Corporation less than \$500,000 in value is attached.

FLEET – January through June 2017 Summary

In response to a Canal Corporation request for certain Fleet assets, and subsequent to the demonstrating a need for these assets, the Contracting officer approved the transfer of seven Fleet vehicles, valued at \$228,900, as described in the attached report in furtherance of Canal Corporation’s operation, maintenance, construction, reconstruction, improvement and development of the canal system.

In summary, the January through June 2017 Fleet Total “Value of Interest in Property Transferred to Canal Corporation”, for Fleet transactions less than \$500,000 authorized by the Contracting Officer was \$228,900.

OTHER PERSONAL PROPERTY– January through June 2017 Summary

During the reporting period, there were no other personal property transfers to Canal Corporation.

The January through June 2017 Total “Value Transferred to Canal Corporation” for personal property transactions less than or equal to \$500,000 authorized by the Contracting Officer was \$0.

Grand Total as of 6/30/17

As summarized on the attached Report, the January through June 2017 Grand Total **“Value of Interest in Personal Property Transferred to Canal Corporation”** for all Personal Property less than or equal to \$500,000 authorized by the Contracting Officer was **\$228,900.**

POWER AUTHORITY OF THE STATE OF NEW YORK

**2017 YTD JUNE REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL
CORPORATION LESS THAN OR EQUAL TO \$500,000**

FLEET OPERATIONS

<u>DESCRIPTION</u>	<u>VIN</u>	<u>UNIT #</u>	<u>TRANSFER DATE</u>	<u>Transfer Value Recorded by the Authority</u>
2008 INT'L 5600i DMP TRUCK	1HTXGSBT08J688037	T620	3/24/17	\$ 60,000
2012 FORD ESCAPE	1FMCU9DG9CKA15338	12S23	5/09/17	\$ 7,425
2016 TRAILKING TK40LP	1TKC03322GR051624	16R98	5/09/17	\$ 13,000
2010 CHEVY IMPALA	2G1WA5EK9A1236031	10A34	5/19/17	\$ 4,825
2011 FORD FUSION	3FAHP0HG7BR322496	11A204	5/19/17	\$ 5,275
2012 FORD FUSION	3FADP0L33CR340806	12H48	5/19/17	\$ 7,550
2011 FORD FUSION	3FAHP0HG0BR322503	11A25	5/31/17	\$ 5,275
2011 FORD FUSION	3FAHP0HG7BR322501	11A7	5/31/17	\$ 5,275
2011 FORD FUSION	3FAHP0HG9BR322502	11A8	5/31/17	\$ 5,275
2008 CHEVY IMPALA	2G1WB58K881319808	08A20	5/31/17	\$ 5,000
2008 CHEVY IMPALA	2G1WB58K481319496	08A243	5/31/17	\$ 5,000
2008 CHEVY IMPALA	2G1WB58K881318383	08A263	5/31/17	\$ 5,000
2010 LTL GIANT 6430 CRANE	641002	10N9	6/27/17	\$ 100,000

SUBTOTAL:

\$ 228,900

POWER AUTHORITY OF THE STATE OF NEW YORK

2017 YTD JUNE REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL CORPORATION
LESS THAN OR EQUAL TO \$500,000

OTHER PERSONAL PROPERTY

DESCRIPTION	Transfer Value Recorded by the Authority
	\$ 0
SUBTOTAL:	\$ 0
+ SUBTOTAL Page 1:	\$ <u>228,900</u>
GRAND TOTAL:	\$ <u><u>228,900</u></u>

ACQUISITION AND DISPOSAL OF REAL PROPERTY

January – June 2017

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold, so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee-approved Expenditure Authorization Procedures. The reporting period is January 1 – June 30, 2017.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

Greg and Karen Liesten – Acquisition of a permanent easement for an access road in the Town of Palmyra, County of Wayne (Map No. WP-1451, Parcel No. 1451) from Greg and Karen Liesten. The consideration for this transaction was \$550.00. The easement was recorded on January 10, 2017.

Emergency Energy Control Center- New Hartford – During this reporting period, NYPA Real Estate acquired 3.01 acres from New Hartford Office Park, L.L.C. in support of the new Emergency Energy Control Center in the Town of New Hartford, County of Oneida. The consideration for this transaction was \$90,300.00. The warranty deed was executed on February 15, 2017. This was approved by Authority's Board of Trustees at their September 2016 meeting.

Thomas Maine – Acquisition of a permanent easement for an access road in the Town of Sullivan, County of Madison (Map No. MS-1450, Parcel No. 1450) from Thomas Maine. There was no consideration for this transaction. The permanent easement was recorded on May 25, 2017.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 56 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Moses-Willis, and Gilboa-New Scotland.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

Transfer of Jurisdiction to New York State Office of Parks, Recreation and Historic Preservation - Transferred .43 acres of surplus lands (Map No. 331-C, Parcel No. 3725A) to New York State Office of Parks, Recreation and Historic Preservation in the City of Niagara Falls, Niagara County. This transfer satisfies a Niagara Power Project relicensing commitment and was authorized by the Authority's Board of Trustees at their July 30, 2015 meeting. The transfer of jurisdiction was executed by the New York State Office of General Services on January 31, 2017.

Conveyance of Real Property to New York State Office of Parks, Recreation and Historic Preservation – Conveyed 1.15 acres of surplus lands (Map 331-C, Parcel 3725B) to New York State Office of Parks, Recreation and Historic Preservation in the City of Niagara Falls, Niagara County. This conveyance satisfies a Niagara Power Project relicensing commitment and was authorized by the Authority's Board of Trustees at their July 30, 2015 meeting. The quitclaim deed was filed on June 8, 2017. There was no consideration for this transaction.

2.) Land Use Permits:

During this reporting period, the real estate group issued 12 land use permits for use of the Authority's real property, both fee-owned and held by easement:

LAND USE PERMITS			
Permit No.	Town/ Issue Date	Permittee	Purpose
CEC-15-159P-A1	Marcy 3-3-2017	National Grid	Install, operate, and maintain a replacement microwave antenna on a 765kV tower at the Marcy Substation.
CEC-17-434P	Herkimer 2-9-2017	Adirondack Foothills Rotary	Host an ice fishing tournament and related events during the period February 18, 2017-February 25, 2017.
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1.) St. Lawrence Lands Program:

On October 31, 2001, the Authority filed an application for a new license, pursuant to Sections 4(e) and 15 of the Federal Power Act for the continued operation and maintenance of the 912 megawatt (MW) St. Lawrence/FDR Power Project. On February 6, 2003, the Authority filed a "Comprehensive Accord" (Settlement Agreement). On October 23, 2003, the Federal Energy Regulation Commission (hereinafter "FERC") issued an "Order Approving Settlement Agreements, Dismissing Complaint and Issuing New License" in which FERC *inter alia* approved the Settlement Agreement.

As part of the Settlement Agreement, the Authority agreed to several changes to the Project boundary. These proposed changes removed approximately 1,340 acres from the Project. Approximately 599 acres of the removed lands are intended to be conveyed either to adjoining landowners or to the affected local municipality, if interested. For all

conveyed lands, the Authority retains flowage and access easements, to provide necessary rights to traverse conveyed lands for Project-related activities.

DEEDS FILED						
NYPA Surplus Map No.	NYPA Surplus Parcel No.	Current Owner Name	Acreage	Appraisal Value	Filing Date	Town
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During this period 8 deeds were finalized and recorded in the County Clerk's office. To date, 532 of the 599 acres have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 478 transactions 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.

PROCUREMENT CONTRACTS SUMMARY **January - June 2017**

In accordance with the Procurement Guidelines, "procurement contracts" are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority's White Plains office, facilities (including Canal Corporation), operations and maintenance ("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 through June 30, 2017. These contracts have been active during 2017 and are \$5,000 or greater in value. There are 1,931 such contracts with a total estimated value of more than \$4.7 billion not including fossil fuel or corporate finance expenditures covered in Sections 2b-5 and 2b-6 of this report. Total expenditures thus far in 2017 have exceeded \$239 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:

- 13% of these contracts are for Construction Services;
- 40% are for the purchase of Equipment and Commodities;
- 2% are for Architectural and Engineering Services;
- 2% are for Legal Services;
- 16% are for Personal Service contracts such as professional consulting services;
- 27% are for Non-Personal Service contracts such as maintenance, technicians, contracted personnel and repairs.

Based on the total value of the contracts included in this summary (\$4.7 billion), approximately 99% of contracts (with a total contract value of approximately \$4.7 billion), were competitively bid. Thus far in 2017, approximately 1% of contracts (with a total contract value of approximately \$33 million), were sole/single-source awards, which included over \$2 million in Minority- and Women-owned Business Enterprises (MWBES), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL CORPORATION

January – June 2017

2017 YTD Report of Transfer of Interest in Personal Property to Canal Corporation

Effective January 1, 2017, management and administration of the New York State Canal Corporation is an additional corporate purpose of the Authority. New York Public Authorities Law § 1005-b (2) authorizes the Authority to “transfer to the canal corporation any moneys, real, personal, or mixed property or any personnel in order to carry out the purposes of this section...” to the extent that the Authority’s Trustees deem it feasible and advisable. Under Public Authorities Law Title 5-A Disposition of Property by Public Authorities, the Trustees annually designate a contracting officer as part of their approval of the Guidelines for the Disposal of New York Power Authority Personal Property.

The Trustees’ authorized, on January 31, 2017, the Authority’s personal property Contracting Officer to transfer any interest in Authority personal property to the Canal Corporation, as the Contracting Officer deems prudent after balancing the respective needs of the Authority and the Canal Corporation, will facilitate the Canal Corporation’s obligations to operate, maintain, construct, reconstruct, improve and develop the canal system. The Contracting Officer will authorize the transfer of Authority personal property or any interest therein only at the request of Canal Corporation. The Contracting Officer will authorize the transfer to Canal Corporation any interest in Authority personal property, valued at up to \$500,000 per transaction, in parity with the authorization level and signing authority set forth in the Guidelines for the Disposal of New York Power Authority Personal Property. Additionally, the Contracting Officer will report to the Trustees or committee thereof regarding such property transfers. To that end, the 2017 YTD Report Transfer of Interest in Personal Property to Canal Corporation less than \$500,000 in value is attached.

FLEET – January through June 2017 Summary

In response to a Canal Corporation request for certain Fleet assets, and subsequent to the demonstrating a need for these assets, the Contracting officer approved the transfer of seven Fleet vehicles, valued at \$228,900, as described in the attached report in furtherance of Canal Corporation’s operation, maintenance, construction, reconstruction, improvement and development of the canal system.

In summary, the January through June 2017 Fleet Total “Value of Interest in Property Transferred to Canal Corporation”, for Fleet transactions less than \$500,000 authorized by the Contracting Officer was \$228,900.

OTHER PERSONAL PROPERTY– January through June 2017 Summary

During the reporting period, there were no other personal property transfers to Canal Corporation.

The January through June 2017 Total “Value Transferred to Canal Corporation” for personal property transactions less than or equal to \$500,000 authorized by the Contracting Officer was \$0.

Grand Total as of 6/30/17

As summarized on the attached Report, the January through June 2017 Grand Total **“Value of Interest in Personal Property Transferred to Canal Corporation”** for all Personal Property less than or equal to \$500,000 authorized by the Contracting Officer was **\$228,900.**

POWER AUTHORITY OF THE STATE OF NEW YORK

**2017 YTD JUNE REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL
CORPORATION LESS THAN OR EQUAL TO \$500,000**

FLEET OPERATIONS

<u>DESCRIPTION</u>	<u>VIN</u>	<u>UNIT #</u>	<u>TRANSFER DATE</u>	<u>Transfer Value Recorded by the Authority</u>
2008 INT'L 5600i DMP TRUCK	1HTXGSBT08J688037	T620	3/24/17	\$ 60,000
2012 FORD ESCAPE	1FMCU9DG9CKA15338	12S23	5/09/17	\$ 7,425
2016 TRAILKING TK40LP	1TKC03322GR051624	16R98	5/09/17	\$ 13,000
2010 CHEVY IMPALA	2G1WA5EK9A1236031	10A34	5/19/17	\$ 4,825
2011 FORD FUSION	3FAHP0HG7BR322496	11A204	5/19/17	\$ 5,275
2012 FORD FUSION	3FADP0L33CR340806	12H48	5/19/17	\$ 7,550
2011 FORD FUSION	3FAHP0HG0BR322503	11A25	5/31/17	\$ 5,275
2011 FORD FUSION	3FAHP0HG7BR322501	11A7	5/31/17	\$ 5,275
2011 FORD FUSION	3FAHP0HG9BR322502	11A8	5/31/17	\$ 5,275
2008 CHEVY IMPALA	2G1WB58K881319808	08A20	5/31/17	\$ 5,000
2008 CHEVY IMPALA	2G1WB58K481319496	08A243	5/31/17	\$ 5,000
2008 CHEVY IMPALA	2G1WB58K881318383	08A263	5/31/17	\$ 5,000
2010 LTL GIANT 6430 CRANE	641002	10N9	6/27/17	\$ 100,000

SUBTOTAL:

\$ 228,900

POWER AUTHORITY OF THE STATE OF NEW YORK

2017 YTD JUNE REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL CORPORATION
LESS THAN OR EQUAL TO \$500,000

OTHER PERSONAL PROPERTY

DESCRIPTION	Transfer Value Recorded by the Authority
	\$ 0
SUBTOTAL:	\$ 0
+ SUBTOTAL Page 1:	\$ <u>228,900</u>
GRAND TOTAL:	\$ <u><u>228,900</u></u>

ACQUISITION AND DISPOSAL OF REAL PROPERTY

January – June 2017

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold, so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee-approved Expenditure Authorization Procedures. The reporting period is January 1 – June 30, 2017.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

Greg and Karen Liesten – Acquisition of a permanent easement for an access road in the Town of Palmyra, County of Wayne (Map No. WP-1451, Parcel No. 1451) from Greg and Karen Liesten. The consideration for this transaction was \$550.00. The easement was recorded on January 10, 2017.

Emergency Energy Control Center- New Hartford – During this reporting period, NYPA Real Estate acquired 3.01 acres from New Hartford Office Park, L.L.C. in support of the new Emergency Energy Control Center in the Town of New Hartford, County of Oneida. The consideration for this transaction was \$90,300.00. The warranty deed was executed on February 15, 2017. This was approved by Authority's Board of Trustees at their September 2016 meeting.

Thomas Maine – Acquisition of a permanent easement for an access road in the Town of Sullivan, County of Madison (Map No. MS-1450, Parcel No. 1450) from Thomas Maine. There was no consideration for this transaction. The permanent easement was recorded on May 25, 2017.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 56 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Moses-Willis, and Gilboa-New Scotland.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

Transfer of Jurisdiction to New York State Office of Parks, Recreation and Historic Preservation - Transferred .43 acres of surplus lands (Map No. 331-C, Parcel No. 3725A) to New York State Office of Parks, Recreation and Historic Preservation in the City of Niagara Falls, Niagara County. This transfer satisfies a Niagara Power Project relicensing commitment and was authorized by the Authority's Board of Trustees at their July 30, 2015 meeting. The transfer of jurisdiction was executed by the New York State Office of General Services on January 31, 2017.

Conveyance of Real Property to New York State Office of Parks, Recreation and Historic Preservation – Conveyed 1.15 acres of surplus lands (Map 331-C, Parcel 3725B) to New York State Office of Parks, Recreation and Historic Preservation in the City of Niagara Falls, Niagara County. This conveyance satisfies a Niagara Power Project relicensing commitment and was authorized by the Authority's Board of Trustees at their July 30, 2015 meeting. The quitclaim deed was filed on June 8, 2017. There was no consideration for this transaction.

2.) Land Use Permits:

During this reporting period, the real estate group issued 12 land use permits for use of the Authority's real property, both fee-owned and held by easement:

LAND USE PERMITS			
Permit No.	Town/ Issue Date	Permittee	Purpose
CEC-15-159P-A1	Marcy 3-3-2017	National Grid	Install, operate, and maintain a replacement microwave antenna on a 765kV tower at the Marcy Substation.
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