

September 24, 2013

**MEMORANDUM TO THE TRUSTEES**

**FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER**

**SUBJECT: Procurement (Services) Contract –  
St. Lawrence/FDR Project –  
Environmental Services Consultant – Award**

**SUMMARY**

The Trustees are requested to approve the award of a procurement contract to Kleinschmidt Associates, P.A., P.C. (“KA”) to provide consulting services in support of ongoing Federal Energy Regulatory Commission (“FERC”) environmental commitments as part of the relicensing of the St. Lawrence/FDR Project. The term of the contract will be for two years with an option to extend for one year. The amount for which authorization is requested is \$800,000.

**BACKGROUND**

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

**DISCUSSION**

FERC issued a New License for the St. Lawrence/FDR Project on October 23, 2003. The Trustees accepted the New License at their meeting of November 25, 2003. As part of the New License, the Authority is required to construct ten Habitat Improvement Projects (“HIPs”), perform a substantial rehabilitation of the Wilson Hill Wildlife Management Area (“WHWMA”) and provide safe passage for migrating American eel.

Substantial progress has been made in fulfilling these commitments; however there are three large projects currently being completed at Nichols Hill Island, Little Sucker Brook and in the WHWMA. Further, several of the smaller HIPs that require providing additional opportunities for Osprey and Common Tern nesting and Sturgeon spawning remain to be completed. The Authority has fulfilled its commitments to provide upstream passage for American eel, but continues to partner with other agencies to research and develop a solution to provide for safe passage of out-migrating American eel.

To fulfill ongoing environmental relicensing commitments, on July 17, 2013 the Authority issued a Request for Proposal (“RFP”) for the above services, including placement of a notice in the New York State Contract Reporter. Proposals were received from two firms: Kleinschmidt Associates and Barton & Loguidice, P.C. (“BL”)

Staff from the Authority's Relicensing and Implementation and Procurement groups evaluated the proposals for technical qualifications and pricing. The KA team was judged superior in several technical areas. Because KA was the successful bidder in a previous competitive bidding process for the subject services, they have first hand knowledge of the development and design of the St. Lawrence/FDR Project HIPs and experience in assisting the Authority with obtaining the regulatory permits for their construction. The KA proposal demonstrated a clearer understanding of the tasks being undertaken in this project and working with the Authority.

Although the hourly rates for each bidder were comparable, the KA proposal provided a precise delineation of the tasks to be performed and their associated costs to be completed. The company's familiarity with the tasks and the technical ability of its proposed subcontractors provided a level of assurance to the evaluation team that the proposed costs were reasonable and reliable.

The competing bidder, BL, did not provide itemized costs for the tasks as the company is not currently familiar with the projects. BL did not propose an approach or cost estimate of how the development of a working knowledge of the ongoing projects would be addressed. The evaluation team concluded that the amount of time and effort required to develop a working knowledge of the projects posed a risk and the overall costs would ultimately be significantly higher than KA's.

#### FISCAL INFORMATION

Since these expenditures are related to the relicensing of the St. Lawrence/FDR Project, they will be treated, generally, as capital expenses and payments will be made from the Capital Fund. As some of these tasks are transitioning from implementation to an operational mode, a small amount (~20%) will be funded from budgeted O&M funds.

#### RECOMMENDATION

The Vice President – Project Development and Licensing, the Vice President – Procurement and the Director – Relicensing and Implementation recommend that the Trustees authorize the award of a contract to Kleinschmidt Associates P.A., P.C. for \$800,000 to provide environmental consulting services in support of fulfilling commitments of the New License for the St. Lawrence/FDR Project.

For the reasons stated, I recommend the approval of the above requested actions by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones  
President and Chief Executive Officer

Att.  
KA - Award

**RESOLUTION**

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a contract to Kleinschmidt Associates P.A., P.C. for two years, with an option to extend for one year in the amount of \$800,000 to provide consulting services in support of fulfilling environmental commitments of the New License for the St. Lawrence/FDR Project, as recommended in the attached memorandum of the President and Chief Executive Officer;

**Contractor**

Kleinschmidt Associates P.A., P.C.

**Contract Approval**

\$800,000

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.