

March 25, 2014

**MEMORANDUM TO THE TRUSTEES**

**FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER**

**SUBJECT: Procurement (Services) Contract –  
Niagara Power Project – On-Call Testing  
and Inspection Services – Contract Award**

**SUMMARY**

The Trustees are requested to approve the award of a five-year contract, to Quality Inspection Services, Inc. of Buffalo, NY (“QISI”), for a not-to-exceed amount of \$1.25 million, for the On-Call Testing and Inspection Services work at the Niagara Power Project.

**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.

An On-Call Testing and Inspection Services contract is required for the Authority to acquire necessary independent third-party inspections to ensure constant quality assurance for on-going construction projects. The Authority does not have the necessary equipment or laboratory testing facilities to meet the required code compliance and quality standards in a manner that is in keeping with the pace of project schedules.

**DISCUSSION**

The Authority first placed an advertisement in the New York State *Contract Reporter* on September 12, 2013 and proposals were received on October 3, 2013. After reviewing the proposals, the Evaluation Committee, which was comprised of Authority staff, determined that the original proposals had many inconsistencies and disparities between unit prices and the Bid was cancelled.

The Authority rebid for the contract and placed an advertisement in the New York State *Contract Reporter* on December 10, 2013. Ninety-one (91) companies “downloaded” the bid documents via the Authority’s website.

The following three bidders submitted proposals on January 7, 2014:

<u>Bidder</u>	<u>Location</u>
SJB Services, Inc.	Buffalo, NY
Quality Inspection Services, Inc.	Buffalo, NY
CME Associates, Inc.	Syracuse, NY

The bids were evaluated from a cost, technical, safety and similar work experience standpoint, by the Evaluation Committee. The evaluation focused on those pricing items considered most likely to be used based on upcoming work at the Niagara Power Project plus consideration of historic usage of these services.

QISI's experience, resources and capabilities meet the Authority's requirements as described in the bid document. QISI provided the lowest unit pricing for the majority of the most frequently used services. Additionally, QISI has provided satisfactory work at the Niagara Power Project recently, including concrete testing and inspection of the Robert Moses Dam Face, Switchyard Structure Foundation repairs and the South Access Guardhouse, as well as weld inspections for the South Access Roadway retaining wall.

#### FISCAL INFORMATION

Funds required to support contract services for O&M projects will be included as part of the approved Operating Fund for those projects and will be disbursed from the Operating Fund.

Funds required to support contract services for capital projects will be included as part of the approved capital expenditures for those projects and will be disbursed from the Capital Fund in accordance with the project's Capital Expenditure Authorization Request.

#### RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Acting Vice President – Project Management, the Vice President – Engineering, the Acting Vice President – Procurement, the Project Manager and the Regional Manager – Western New York recommend that the Trustees approve the award of a five-year contract to Quality Inspection Services, Inc. of Buffalo, NY (“QISI”) for a not-to-exceed amount of \$1.25 million, for the On-Call Testing and Inspection Services work at the Niagara Power Project.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones  
President and Chief Executive Officer

**RESOLUTION**

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a five-year contract to Quality Inspection Services, Inc. of Buffalo, NY, for a not-to-exceed amount of \$1.25 million, for the On-Call Testing and Inspection Services contract at the Niagara Power Project, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

**Contractor**

Quality Inspection Services, Inc.  
Buffalo, NY  
(Q13-5559AT)

**Contract Approval**

\$1.25 million

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chair, 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.