

January 28, 2014

**MEMORANDUM TO THE TRUSTEES**

**FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER**

**SUBJECT: Voice over IP Telephone System –  
Capital Expenditure Authorization Request**

**SUMMARY**

The Trustees are requested to authorize capital expenditures in the amount of \$4,380,183 for the implementation of Information Technology’s Voice over IP (“VoIP”) Telephone Communication System in 2014-2015 as per the Authority’s Expenditure Authorization Procedures (“EAPs”). These expenditures have been included in the 2014 approved Capital budget.

**BACKGROUND**

In accordance with the Authority’s EAPs, the award of non-personal services or equipment purchase contracts in excess of \$3 million, as well as personal services contracts in excess of \$1 million if low bidder, or \$500,000 if sole-source or non-low bidder, requires the Trustees’ approval.

This capital expenditure authorization request (“CEAR”) represents the funding required to implement a telephone communications system throughout NYPA. The system will be based upon the new VoIP technology that has already been implemented on a limited basis at the Niagara and Poletti Power Plants.

**DISCUSSION**

The implementation of the new VoIP system will include a new, updated phone system within NYPA that is built on its existing IP network infrastructure. The upgrade will replace the existing telephone system that is aging and built on antiquated technologies. The new system would use the Authority’s existing IP network and leverage the latest in telephony technologies and advancements.

The following lists the 2014-2015 VoIP Implementation costs:

- |   |                           |
|---|---------------------------|
| • <b>Voice over IP Telephone System</b> | <b>\$ 2,959,603</b>       |
| • <b>Internal Labor</b>                 | <b>\$ 1,212,000</b>       |
| • <b>HQ Overhead</b>                    | <b><u>\$ 208,580</u></b>  |
| <b>Total</b>                            | <b><u>\$4,380,183</u></b> |

FISCAL INFORMATION

Payments associated with this project will be made from the Capital Fund.

RECOMMENDATION

The Chief Information Officer – Information Technology recommends that the Trustees approve the Capital Expenditure Authorization Request in the amount of \$4,380,183 for the Voice over IP (“VoIP”) Telephone Communication System.

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

Gil C. Quiniones  
President and Chief Executive Officer

Att  
2014 VoIP

**RESOLUTION**

RESOLVED, That Capital Expenditures are hereby approved in accordance with the Authority's Expenditure Authorization Procedures, as recommended in the attached memorandum of the President and Chief Executive Officer, in the amount and for the purpose listed below:

<b><u>Capital</u></b>	<b><u>Expenditure Authorization</u></b>
Voice over IP Telephone System	<b><u>\$4,380,183</u></b>

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.