

January 27, 2015

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Procurement (Services) Contract –
500 MW Combined Cycle Power Plant –
Storage Facilities Project –
Contract Extension**

SUMMARY

The Trustees are requested to approve a contract extension, not to exceed December 31, 2016, with no additional funding, to Purchase Order #4500242861, to Yonkers Electric Contracting Corp., (“Yonkers”) of Yonkers, New York, for the 500 MW Storage Facilities Project (“Project”) at the Astoria Site.

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.

At their December 17, 2013 meeting, the Trustees approved a Capital Expenditure Authorization Request for the design and construction of storage facilities for the 500 MW Power Plant for a total of \$4.7 million. The storage buildings are required for hazardous materials and universal waste; a separate building is required to support site operations.

As a result of the deconstruction of the Poletti Power Plant, the existing drum storage facility, which does not meet current state codes and standards, is being closed and other storage buildings were demolished. To replace these required facilities, a new hazardous materials and universal waste storage building will be constructed to meet current codes and standards. A separate building required for daily operations to store trucks, boom lifts and other maintenance equipment will also be constructed. The new facilities were scheduled to be completed by the end of 2014 and commissioned by March 2015. The Authority is required to obtain permits from the New York City Department of Buildings (“NYCDOB”) and the Fire Department of New York (“FDNY”).

DISCUSSION

The original contract to Yonkers was awarded in March 2014 and is effective through March 9, 2015 at a total authorized approval of \$2,869,752. Site work began in May 2014 and the pre-fabricated drum storage building was delivered to the site in July. Due to the extensive NYCDOB issues and exceptions, the drum storage building installation cannot be completed until all permit exceptions are resolved. The exceptions are currently 80% resolved and are

expected to be finalized by March 2015. In addition, the storage building shop drawings approval took longer than expected due to required modifications from lessons learned with the NYCDOB during the prior drum storage building process. Also, fabrication and production time from the factory moved from 6-8 weeks to 8-16 weeks from final approvals, which will delay the project by three additional months.

These delays, as described, have significantly affected the Project and Yonkers will need additional time for installation and commissioning of both buildings. Project Management staff is requesting a contract extension beyond the original one-year term. Substantial completion is expected by early 2016 with Contract completion (demobilization and closeout) by December 31, 2016.

FISCAL INFORMATION

Payments associated with this Project will be made from the Authority's Capital Fund.

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Vice President – Engineering, the Acting Vice President – Project Management, the Acting Vice President – Procurement and the Regional Manager – SENY recommend that the Trustees approve a contract extension, not to exceed December 31, 2016, at no change in contract value, to Yonkers Electric Contracting Corp., of Yonkers, New York, for the 500 MW Storage Facilities Project (“Project”) at the Astoria Site.

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 contract extension, not to exceed December 31, 2016, at no change in contract value, to Yonkers Electric Contracting Corp. of Yonkers, New York for the 500 MW Storage Facilities Project as recommended in the foregoing memorandum of the President and Chief Executive Officer

Contractor

Yonkers Electric Contracting Corp.
Yonkers, New York
PO# 4500242861

Contract Approval

As Needed Contract Extension
Not-To-Exceed December 31, 2016

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.