

February 26, 2015

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Procurement (Services) Contracts –
Business Units and Facilities – Awards**

SUMMARY

The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit “A,” in support of projects and programs for the Authority’s Business Units/Departments and Facilities. Detailed explanations of the recommended awards, including the nature of such services, the bases for the new awards if other than to the lowest-priced bidders and the intended duration of such contracts, are set forth in the discussion below.

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.

The Authority’s Expenditure Authorization Procedures (“EAPs”) require the Trustees’ approval for the award of non-personal services, construction, equipment purchase or non-procurement 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, single-source or non-low bidder.

DISCUSSION

The terms of these contracts will be more than one year; therefore, the Trustees’ approval is required. Except as noted, all of these contracts contain provisions allowing the Authority to terminate the services for the Authority’s convenience, without liability other than paying for acceptable services rendered to the effective date of termination. Approval is also requested for funding the proposed contracts for public outreach and strategic communications services, in the aggregate total amount of \$5 million. (Funding for the remaining four contracts for other services is included in the aggregate total amounts previously approved for the respective services.) Except as noted, these contract awards do not obligate the Authority to a specific level of personnel resources or expenditures.

The issuance of multiyear contracts is recommended from both cost and efficiency standpoints. In many cases, reduced prices can be negotiated for these long-term contracts. Since these services are typically required on a continuous basis, it is more efficient to award long-term contracts than to rebid these services annually.

Detailed explanations of the recommended contract awards for Energy Efficiency and Project Development & Licensing were previously set forth in Agenda Items 5 and 2c-i, respectively, at the October 15, 2014 Trustees' Meeting; a brief synopsis is set forth below. A detailed summary of the recommended contract awards to support Corporate Communications follows.

Economic Development & Energy Efficiency

Energy Efficiency

At the Trustees' meeting of October 15, 2014, staff recommended the award of competitively bid contracts to twelve firms (**Q14-5668**) to provide for various services in connection with the Statewide Energy Efficiency Program. The Trustees approved the award of contracts to ten of these firms (**Cannon Design Architecture and Engineering, P.C., The Daylight Savings Company, Ecosystem/LiRo Energy Group II, EME Consulting Engineering Group, LLC, ENERActive Solutions, Energy & Resource Solutions, Inc. dba ERS, Fulcrum Facilities Services, LLC dba The Fulcrum Group, Guth DeConzo Consulting Engineers, P.C., PRES Services, LLC dba PRES Energy and RCM Technologies, Inc.**) and an aggregate total amount of \$300 million. The proposed awards to **LaBella Associates, DPC ("LaBella") and Wendel Energy Services, LLC ("Wendel")**, originally included in the aforementioned October Discussion Agenda (Item 5), were not adopted by the Trustees because they were unable to attain the required number of votes based on conflicts of interest filed by one or more Board members. Therefore, the proposed awards to the two remaining firms, **LaBella and Wendel**, are now resubmitted for the Board's consideration with the intent of achieving the required quorum for adoption. Approval of this request to award contracts to these two firms would enable the Authority to utilize their specialty skills, experience and expertise, as needed. The contracts would become effective on or about February 2, 2015 for an intended term of approximately five years (through October 14, 2019, coterminous with the other ten previously-approved contract awards), subject to the Trustees' approval, which is hereby requested. LaBella and Wendel would share in the previously-approved aggregate total. Such contracts will be closely monitored for utilization levels, available approved funding and combined total expenditures.

Public, Governmental and Regulatory Affairs

Project Development & Licensing

At the Trustees' meeting of October 15, 2014, staff recommended the award of competitively bid contracts to twelve firms (**Q14-5680**) to provide for consulting services to support Authority goals and initiatives in connection with generation and transmission project evaluation and analysis and Public Service Commission ("PSC") proceedings. The Trustees approved the award of contracts to nine of these firms (**Ecology and Environment Engineering, PC, ESS Group, Inc., Gomez and Sullivan Engineers, DPC, Henningson, Durham & Richardson Architecture and Engineering, PC, Louis Berger & Associates, PC, POWER Engineers Consulting, PC, Tetra Tech, Inc. The Chazen Companies and TRC Environmental Corporation**) and an aggregate total amount of \$5 million. The proposed

awards to **ARCADIS of New York, Inc. (“ARCADIS”)** and **CH2M HILL Engineering, PA (“CH2M HILL”)**, originally included in the aforementioned October Consent Agenda (Item 2c-i), were not adopted by the Trustees because they were unable to attain the required number of votes based on conflicts of interest filed by one or more Board members. (The proposed award to the third remaining firm, **Burns & McDonnell Consultants, PC**, was withdrawn from consideration in October and was adopted at the December 16, 2014 Trustees’ meeting.) The proposed awards to the two remaining firms, **ARCADIS and CH2M HILL**, are now resubmitted for the Board’s consideration with the intent of achieving the required quorum for adoption. Approval of this request to award contracts to these firms would enable the Authority to utilize each firm’s specialty skills, experience and expertise, as needed. The contracts would become effective on or about February 2, 2015 for an intended term of approximately five years (through November 14, 2019, coterminous with the other ten previously-approved contract awards), subject to the Trustees’ approval, which is hereby requested. These two firms would share in the previously-approved aggregate total. Funds will be allocated as specific projects or tasks are identified. Such contracts will be closely monitored for utilization levels, available approved funding and combined total expenditures.

Corporate Communications – Media Relations

The Authority is repositioning itself as an innovative, technology-driven, electric energy industry leader. In so doing, it is seeking to augment its corporate communications portfolio of expertise and resources in support of its many projects and initiatives, by retaining qualified full-service and specialty communications firms with a broad range of strategic and tactical expertise to assist Authority staff, and other project partners when appropriate, with the development and/or implementation of public education and strategic communications outreach. The selected firms will help to reformulate effective corporate messaging and identify appropriate delivery platforms to better inform the general public, local communities, stakeholders, decision-makers and influencers about the Authority’s many contributions to New York State and its leadership in the electric energy industry. Policy experience in, and knowledge of, the electric industry and marketplace in New York State, neighboring states and Canadian systems, as well as the impact of national energy policy on New York State, were also sought. Additionally, cutting-edge skills with respect to technical advances in digital communications, which continue to transform how information is generated and consumed, were sought as well. To these ends, and in anticipation of future communications challenges, bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 108 firms/entities, including those that may have responded to a notice in the New York State *Contract Reporter*; three additional firms obtained the bid documents from an alternate source. Proposals were received from 21 firms and were evaluated, as further set forth in the Award Recommendation documents. Staff determined that the respective strengths of the seven most qualified candidates’ range of talents and areas of expertise comprise a formidable portfolio of communications firms with the technical qualifications to best meet the Authority’s needs and objectives. The firms that were not selected lacked the depth of relevant or related experience in the energy or related sectors, were limited in the range of projects they could support and/or did not have the level of expertise or proposals as strong as those of the seven recommended firms. Based on the foregoing, staff recommends the award of contracts to the seven most qualified firms, **Arch Street Communications, Inc. (“Arch Street”)**, **Brand Cool Marketing, Inc.**

(“Brand Cool”), Crowley Webb & Associates, Inc., M Public Affairs, POWER Engineers Consulting, PC, Stanton Communications, Inc. and The Visual Brand LLC (“Visual Brand”), which fully meet or exceed the bid requirements. Due to the need to commence services, contracts have been awarded to two of the recommended firms, Arch Street (4600002891) and Visual Brand (4600002892), which became effective on January 1, 2015, subject to the Trustees’ ratification and approval as soon as practicable, in accordance with the Authority’s Guidelines for Procurement Contracts and EAPs. The remaining five proposed contracts would become effective on or about February 2, 2015, for an intended term of up to five years (but ending not later than December 31, 2019), subject to the Trustees’ approval, which is hereby requested. Approval is also requested for the aggregate total amount expected to be expended for the term of the contracts, \$5 million. Such contracts will be monitored for utilization levels, available approved funding and combined total expenditures. It should be noted that Arch Street and Brand Cool are New York State-certified Woman-owned Business Enterprises (“WBEs”).

FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2015 Approved O&M Budget. Funds for subsequent years, where applicable, will be included in the budget submittals for those years. Payment will be made from the Operating Fund.

Funds required to support contract services for capital projects have been 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 – Public & Regulatory Affairs and Chief of Staff, the Vice President – Energy Efficiency, the Acting Vice President – Procurement, the Director – Project Development & Licensing, and the Vice President – Corporate Communications recommend that the Trustees approve the award of multiyear procurement (services) contracts to the companies listed in Exhibit “A” for the purposes and in the amounts discussed within the item and/or listed in Exhibit “A.”

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, the award and funding of the multiyear procurement services and other contracts set forth in Exhibit "A," attached hereto, are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing memorandum of the President and Chief Executive Officer; 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, 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.

Procurement (Services) Contracts – Awards
(For Description of Contracts See "Discussion")

<u>Bus Unit/ Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
ECONOMIC DEVELOPMENT & ENERGY EFFICIENCY - ENERGY EFFICIENCY	Q14-5668; 2 awards:	02/02/15 (on or about)	Provide for Statewide Energy Efficiency Program services	10/14/19 (coterminous with ten other contracts for such services, approved by the Trustees on 10/15/14)	B/A			\$ *
	1. LABELLA ASSOCIATES, DPC Rochester, NY (HQ) 2. WENDEL ENERGY SERVICES, LLC Amherst, NY (HQ) (PO#s TBA)							
							*Note: included in the previously-approved aggregate total of \$300 million for ten other contracts for such services, for a term of up to 5 years	
PUBLIC, GOV. & REGULATORY AFFAIRS - PROJECT DEV. & LICENSING	Q14-5680; 2 awards:	02/02/15 (on or about)	Provide for consulting services for licensing and environmental permitting tasks	11/14/19 (coterminous with nine other contracts for such services, approved by the Trustees on 10/15/14 + one on 12/16/14)	B/P			\$ *
	1. ARCADIS OF NEW YORK, INC. White Plains, NY 2. CH2M HILL ENGINEERING, PA Englewood, CO (HQ) New York, NY (Branch Office)							
							*Note: included in the previously-approved aggregate total of \$5 million for ten other contracts for such services, for a term of up to 5 years	

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
 1 **Award Basis:** B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
 2 **Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service

Procurement (Services) Contracts – Awards
(For Description of Contracts See "Discussion")

EXHIBIT "A"
February 26, 2015

<u>Bus Unit/ Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis¹ Contract Type²</u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
PUBLIC, GOV. & REGULATORY AFFAIRS - CORPORATE COMMUNICA- TIONS - MEDIA RELATIONS	Q14-5733; 7 awards:		Provide for public outreach and stra- tegic communica- tions services					\$5,000,000*
	1. ARCH STREET COM- MUNICATIONS, INC. ♦ Pawling, NY 4600002891	01/01/15		12/31/19	B/P	\$25,000		
	2. BRAND COOL MARKETING, INC. ♦ Rochester, NY	02/02/15 (on or about)		"				
	3. CROWLEY WEBB & ASSOCIATES, INC. Buffalo, NY	"		"				
	4. M PUBLIC AFFAIRS New York, NY	"		"				
	5. POWER ENGINEERS CONSULTING, PC North Attleboro, MA	"		"				
	6. STANTON COM- MUNICATIONS, INC. New York, NY	"		"				
7. THE VISUAL BRAND LLC Westport, CT 4600002892	01/01/15			"		\$25,000		
	(PO#s for #2–6 TBA)							*Note: represents aggregate total for up to 5-year term

♦ **M / WBE:** New York State-certified Minority / Women-owned Business Enterprise (indicated by the ♦ symbol after the Company Name)
1 Award Basis: B= Competitive Bid; S= Sole Source; Si= Single Source; C= Competitive Search
2 Contract Type: P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; A= Architectural & Engineering Service; L= Legal Service