

March 26, 2015

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Procurement (Construction) Contract –
Niagara Power Project Relicensing -
Strawberry Island Wetland
Restoration Habitat Improvement
Project – Contract Award**

SUMMARY

The Trustees are requested to approve the award of a construction contract to L.D.C. Construction Co. Inc. of Grand Island, NY, for the construction of the Strawberry Island Wetland Restoration Habitat Improvement Project (“HIP”). The contract will be awarded for a base amount of \$3,190,925 with an additional \$600,000 in funding for optional work that would only be released with prior NYPA authorization. The term of the contract will be three years.

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. Also, in accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services or equipment purchase contracts exceeding \$3 million require the Trustees’ approval.

This project is the construction of approximately eight acres of habitat improvements on Strawberry Island as part of the Strawberry Island Wetland Restoration HIP. Strawberry Island is located in the upper Niagara River near Grand Island, New York. Implementation of this HIP is one of the commitments made in the Niagara Power Project Relicensing Settlement Agreement that resulted in a new 50-year license. Planting to complete the wetland restoration will be handled by a separate contractor under a separate contract.

DISCUSSION

A Request for Quotation (“RFQ”) Q14-5795MH for the construction work was publicly noticed in the New York State *Contract Reporter* on December 23, 2014, and the full RFQ was made available at that time on the NYPA Procurement website. A mandatory pre-bid meeting was held at Beaver Island State Park on January 13, 2015.

The RFQ was downloaded by one hundred and one (101) firms. Three bids were received from the following firms: Mark Cerrone, Inc. (“MCI”) of Niagara Falls, NY; L.D.C.

Construction Co. Inc. (“LDC”) of Grand Island, NY; and Ontario Specialty Contracting, Inc. (“OSC”) of Buffalo, NY.

Staff from the Authority’s Relicensing and Implementation (“R&I”) Division, the Environmental Health and Safety Division, and the Procurement Division evaluated the proposals for technical qualifications and pricing. The Authority’s review team was assisted in the technical evaluation by staff from Kleinschmidt Associates, who was responsible for the biological design and engineered elements of the HIP, and the Authority’s Niagara Compliance Implementation Consultant, Gomez and Sullivan Engineers, who assist the Authority with project management of Niagara Project’s relicensing implementation projects.

LDC was the lowest qualified bidder. LDC’s overall marine construction experience and successful performance on three river projects for Niagara Relicensing Implementation supports the selection of that firm. Their proposed approach to the work is detailed, thorough and appropriate, compliant with schedule needs, and responsive to project-specific concerns about unique features of the work site. The company’s recent successful completion of the Little Beaver Island wetland restoration HIP, the Motor Island Shoreline Restoration HIP, and the Frog Island HIP for the Authority amply demonstrated its capability to execute large earthwork projects in a marine environment. In addition to operating safely and with appropriate quality control, LDC demonstrated considerable resourcefulness on the Beaver Island project in overcoming challenges that were not of its making, and worked very well in coordinating overlapping work with a planting contractor, similar to what is planned for the Strawberry Island HIP. LDC took no deviations or exceptions to the commercial or technical specifications, or the Terms and Conditions provided in the RFP.

Therefore, it is recommended that the contract be awarded to LDC. The contract term will be for three (3) years. The contract will be awarded for total of \$3,790,925 with a base amount of \$3,190,925 and an additional \$600,000 in funding for optional work that would only be released with prior NYPA authorization.

FISCAL INFORMATION

Since these expenditures are related to implementing new project commitments in the New License and the Section 401 Water Quality Certificate issued by the New York State Department of Environmental Conservation, payments will be made from the Capital Fund.

RECOMMENDATION

The Senior Vice President – Public and Regulatory Affairs recommends that the Trustees authorize the award of a construction contract for the Strawberry Island Habitat Improvement Project to L.D.C. Construction Co. Inc. in the amount of \$3,790,925.

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 and the Authority's Expenditure Authorization Procedures, approval is hereby granted to award a contract to L.D.C. Construction Co., Inc., in the amount of \$3,790,925 for a term of three years for the construction of the Strawberry Island Westland Restoration Habitat Improvement Project, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

<u>Contractor</u> (Q14-5795MH)	<u>Contract Approval</u>
L.D.C. Construction Co. Inc. of Grand Island, NY	<u>\$3,790,925</u>

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.