

Date: May 19, 2015

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Niagara Power Project – First Buffalo Marina –
Winter Mooring Site Relocation – Capital Expenditure
Authorization Request and Contract Award

SUMMARY

The Trustees are requested to authorize capital expenditures in the amount of \$4,030,000 and approve the award of a contract to Nichols Long & Moore Construction Corp. of Lancaster, NY (“NLM”), in the amount of \$2,900,694 for a term ending in December 2016, to relocate the winter mooring operations at the First Buffalo Marina (herein referred to as the “Project”).

The total Capital Expenditure Authorization Request for this Project is \$4,605,000, which includes previously authorized funding in the amount of \$575,000 for preliminary engineering work.

To provide the additional time necessary to complete season-critical construction operations prior to winter, interim approval to award the contract (4500258278) in the amount of \$400,000 was authorized by the Chief Operating Officer, in accordance with the Authority’s Guidelines for Procurement Contracts.

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.

NYPA purchased the 15.5± acre First Buffalo Marina in 2008 to serve as the winter mooring site for the Authority’s ice boom tug vessels and barge. The Authority continues to use a portion of the premises for this purpose. The property is also currently being operated as a recreational marina in the summer months with on-land storage for boats during the winter.

The scope of this project includes the relocation of the Authority’s winter mooring operations from the center of the property to a ~1.5 acre parcel at the extreme northern end of the property. The scope of construction work will include:

1. A new ~250' sheet pile seawall including excavation, drilling, installing, and grouting new steel sheet piles and tiebacks;
2. All appurtenances and services required for mooring the vessels including pedestals for shore power;
3. A new equipment storage building, including a bathroom;
4. Required utilities including electric, water, sewer, etc.;
5. An access road from the main road (Fuhrmann Boulevard) as well as a parking area and fencing around the work area.

This relocation will facilitate the conveyance of the remaining property, comprising approximately 14 acres to Erie Canal Harbor Development Corporation in support of the continuing economic development in Western New York. Staff anticipates presenting this conveyance to the Trustees for approval at their September 2015 meeting.

DISCUSSION

The Authority issued a Request for Proposal (Q15-5836MR) in the New York State *Contract Reporter* on March 10, 2015. On April 9, 2015, the following four proposals were received:

<u>Bidder</u>	<u>Location</u>	<u>Gross Lump Sum with Selected Options</u>
Nichols Long & Moore	Lancaster, NY	\$2,900,694.00
Mark Cerrone, Inc.	Niagara Falls, NY	\$3,073,476.25
Edbauer Construction	West Seneca, NY	\$3,668,351.25
Pinto Construction	Buffalo, NY	\$4,353,025.55

The proposals were evaluated from a cost, technical, safety and similar work experience standpoint, by an Evaluation Committee.

NLM's proposal was the lowest in price and was also technically acceptable. The company has extensive experience in general construction, has demonstrated knowledge of the scope-of-work, and is capable of completing this project in a timely manner.

An additional \$66,000 above the bid amount is included for rip rap placement, including subgrade preparation and filter bedding material and the sampling, analyzing, and disposing of hazardous waste.

NLM's experience, resources and capabilities meet the Authority's requirements as described in the bid document.

This project is scheduled to be substantially completed by the end of 2015. However, due to the season-critical construction operations associated with this project, including the installation of a sheet pile seawall, a contract term of approximately twenty months, through December 2016, is requested.

Engineering, Procurement, Construction, Direct and Indirect Costs

The Trustees are also requested to approve capital expenditures for engineering, construction and Authority direct and indirect costs as follows:

	Previous Authorization (\$000)	Current Request (\$000)	Total Project Estimate (\$000)
Preliminary Engineering	155	0	155
Detailed Engineering and Design	335.5	297	632.5
Procurement and Construction	0	3,335	3,335
Authority Direct/Indirect	84.5	398	482.5
Total	575	4,030	4,605

FISCAL INFORMATION

Payment associated with this project will be made from the Authority's Capital Fund. Future funding for 2016 will be included in the Capital Budget request for that year.

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Vice President – Project Management, the Vice President – Procurement, the Project Manager and the Regional Manager – Western New York recommend that the Trustees authorize capital expenditures in the amount of \$4,030,000 and approve the award of a contract to Nichols Long & Moore Construction Corp. of Lancaster, NY (“NLM”), in the amount of \$2,900,695, to relocate the winter mooring operations at the First Buffalo Marina.

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 Authority's Expenditure Authorization Procedures, capital expenditures are hereby approved in the amount of \$4,030,000, for the First Buffalo Marina Winter Mooring Site Relocation Project, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

<u>Capital</u>	<u>Expenditure Authorization</u>
Niagara Power Project Winter Mooring Site Relocation	
Previous Authorization	\$ 575,000
Current Request	<u>4,030,000</u>
Total Amount Authorized	<u>\$ 4,090,000</u>

AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a contract to Nichols Long & Moore Construction Corp. of Lancaster, NY ("NLM"), in the amount of \$2,900,694 for a term ending in December 2016, for the First Buffalo Marina Winter Mooring Site Relocation Project, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

<u>Contractor</u>	<u>Contract Approval</u>
Nichols Long & Moore Construction Corp. Lancaster, NY (4500258278)	<u>\$2,900,694</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.