

May 22, 2014

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Procurement (Services) Contract –
Niagara, St. Lawrence and Blenheim-Gilboa Pumped
Storage Projects – Visitors Centers Upgrade – Capital
Expenditure Authorization Requests and Contract Award**

SUMMARY

The Trustees are requested to authorize additional capital expenditures in the aggregate amount of \$12,652,100 and approve the award of a five-year contract to Hadley Exhibits, Inc. of Buffalo, NY (“Hadley”), in the amount of \$9,020,899, to perform improvements and comprehensive upgrades to the exhibits and facilities at the Authority’s Visitors Centers (herein referred to as the “Project”). The Visitors Centers include the Power Vista Visitors Center located at the Robert Moses Niagara Power Project, the Frank S. McCullough, Jr. Hawkins Point Visitors Center and Boat Launch located at the St. Lawrence/FDR Power Project, and the Blenheim-Gilboa Visitors Center located at the Blenheim-Gilboa Pumped Storage Project (herein referred to as the “Facilities”).

BACKGROUND

Section 2879 of the New York State Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for non-personal services contracts in excess of \$3 million and 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 contracts in excess of \$3 million.

Many of the exhibits at the Facilities are no longer functional, displaying signs of wear, irrelevant to present-day topics and programs, and cannot be easily updated and maintained. As these Facilities are open to the public, the exhibits need to be upgraded to include present-day technologies and represent the Authority’s current programs and customers. Additionally, the Facilities are a significant component in fulfilling the Authority’s Federal Energy Regulatory Commission (“FERC”) obligation to provide public recreational opportunities at its hydro facilities, and are included in each site’s FERC-approved Recreation Plan.

In 2013, the Authority awarded a contract to Crystal McKenzie, Inc. to perform Benefit Analysis Studies for the Facilities to evaluate the condition and recommend upgrades to the existing exhibits, provide recommendations for new exhibits, as well as other additions and modifications necessary to modernize the Facilities.

DISCUSSION

The scope-of-work under this contract includes content development, detailed design, fabrication, and installation of exhibits that will feature new hands-on interactive elements, wall-mounted exploration stations, wall- and table-mounted touch-screen technologies, and other interactive exhibits. The scope also includes: the addition of a local area communication network to support exhibit connectivity, improvements to the overall floor plan layout, signage, lighting and electrical infrastructure, the removal of the existing chair-lifts, addition of a handicapped-accessible ramp and an elevator at the Niagara Power Vista, and a three-year term for as-needed maintenance at each of the Facilities. The design and construction work will be performed in four phases as follows:

- | | |
|--|---------------------------|
| 1. Niagara Power Vista Visitors Center Upgrades | Summer 2014 - Spring 2016 |
| 2. Niagara Power Vista Elevator Installation | Summer 2014 - Spring 2015 |
| 3. St. Lawrence Hawkins Point Visitors Center Upgrades | Fall 2015 - Spring 2017 |
| 4. Blenheim-Gilboa Visitors Center Upgrades | Fall 2015 - Spring 2017 |

In addition, the contract with Hadley includes an option for a three-year maintenance agreement if selected, which spans from 2016 through 2019. This maintenance is not included as part of the capital project.

The Authority issued a Request for Information in the New York State *Contract Reporter* on December 20, 2013, seeking pre-qualification statements from experienced firms. On January 14, 2014, the following four responses were received:

<u>Firms</u>	<u>Location</u>
Cannon Design-Build, Inc.	Chicago, IL
Crystal McKenzie, Inc.	New York City, NY
Hadley Exhibits, Inc.	Buffalo, NY
Thinking Outside the Square	Buffalo, NY

Based on the review of those submissions, a Request for Quotation was issued to all four firms on February 21, 2014. Subsequently, on April 3, 2014, the following two proposals were received:

<u>Bidder</u>	<u>Lump Sum with Options</u>
Hadley Exhibits, Inc.	\$9,020,899
Cannon Design-Build, Inc.	\$11,133,102

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

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

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

Of the total contract amount, approximately \$8,700,000 is associated with the upgrades to the Facilities, with the balance of approximately \$300,000 for the as-needed maintenance option.

The following table summarizes the capital expenditure estimate by facility with the previously approved authorizations by the President and Chief Executive Officer and the current authorization request:

Facility	Project Estimate	Previous Authorization	Current Authorization
Robert Moses Niagara Power Project – Power Vista	\$8,925,000	\$260,700	\$8,664,300
St. Lawrence - FDR Power Project – Frank S. McCullough, Jr. Hawkins Point Visitors Center and Boat Launch	\$2,410,000	\$249,600	\$2,160,400
Blenheim-Gilboa Pumped Storage Project - Visitors Center	\$2,100,500	\$273,100	\$1,827,400
TOTAL	\$13,435,500	\$783,400	\$12,652,100

Future-year funding for design and construction will be included in the Capital Budget request for that year. Future long-term maintenance will be budgeted, as necessary, in the Operating Budget request for that year.

FISCAL INFORMATION

Payment associated with this project will be made from the Authority’s Capital Fund. Payments associated with future long-term maintenance will be made from the Authority’s Operating Fund.

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Acting Vice President – Project Management, the Vice President – Engineering, the Acting Vice President – Procurement, the Project Manager and the Regional Managers of Central, Northern, and Western New York recommend that the Trustees authorize capital expenditures in the amount of \$12,652,100 and approve the award of a five-year contract to Hadley Exhibits, Inc. of Buffalo, NY in the amount of \$9,020,899, to perform improvements and comprehensive upgrades to the exhibits and facilities at the Authority’s Power Vista Visitors Center located at the Robert Moses Niagara Power Project, the Frank S. McCullough, Jr. Hawkins Point Visitors Center and Boat Launch located at the St. Lawrence/FDR Power Project, and the Blenheim-Gilboa Visitors Center located at the Blenheim-Gilboa Pumped Storage Project.

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 aggregate amount of \$12,652,100, for the Niagara Power Project, St. Lawrence Power Project, and Blenheim-Gilboa Pumped Storage Project Visitors Centers Upgrade Project, as recommended in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a five-year contract to Hadley Exhibits, Inc. of Buffalo, NY, in the amount of \$9,020,899, for the Niagara Power Project, St. Lawrence Power Project, and Blenheim-Gilboa Pumped Storage Project Visitors Centers Upgrade Project, as recommended in the foregoing memorandum of the President and Chief Executive Officer and set forth below:

Contractor

Hadley Exhibits, Inc.
Buffalo, NY
(Q14-5598FS)

Contract Approval

\$9,020,899

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 Acting Executive Vice President and General Counsel.