

Date: July 30, 2015

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Robert Moses Niagara Power Project – Visitors Center Upgrade – Increase in Capital Expenditure and Contract Authorizations

SUMMARY

The Trustees are requested to approve an increase in the capital expenditure authorization limit for the Robert Moses Niagara Power Project Power Vista Visitors Center (“Niagara Visitors Center”) Upgrade from the previously authorized amount of \$8.925 million to \$14.270 million. This additional \$5.345 million is required to implement an enhanced vision of the upgrades to the Niagara Visitors Center.

The Trustees are also requested to approve an increase in the contract awarded to Hadley Exhibits, Inc. (“Hadley”) of Buffalo, NY from the previous amount of approximately \$9.0 million to \$11.6 million to fund this enhanced vision of the Niagara Visitors Center.

BACKGROUND

In accordance with the Authority’s Expenditure Authorization Procedures, capital expenditures in excess of \$3 million require the Trustees’ approval. Also, in accordance with the Guidelines for Procurement Contracts adopted by the Authority, additional funding that exceeds 25 percent of the originally-approved contract amount requires the Trustees’ approval.

At their May 22, 2014 meeting, the Trustees approved the Capital Expenditure Authorization Request (“CEAR”) for the Niagara Visitors Center Upgrade Project, estimated at \$8.664 million, and the award of a five-year contract to Hadley to upgrade the displays and exhibits and replace the existing chair lift system with a new, modern elevator and Americans with Disabilities Act (“ADA”) accessible ramp.

DISCUSSION

Many of the exhibits at the Niagara Visitors Center are no longer functional, displaying signs of wear, irrelevant to present-day topics and programs, or cannot be easily updated and maintained. As this Visitors Center is 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 Visitors Center is a significant component in fulfilling the Authority’s Federal Energy Regulatory Commission (“FERC”) obligation to provide public recreational opportunities at its licensed hydroelectric power plants, included in the site’s FERC-approved Recreation Plan.

In May 2014, Hadley initiated the conceptual design work for the Niagara Visitors Center. In the fall of 2014, it was determined that additional funding would be required to implement the Authority’s enhanced vision for the upgrade of the Niagara Visitors Center. The scope-of-work has been enhanced to include additional interactive and sophisticated displays and exhibits such as a Multitaction touch table, a simulator theater, and numerous additional touch-screen interactive monitors; a retail space; and the addition of State Historic Preservation Office and Engineering required enhancements to the elevator and ADA ramp designs.

In order to maintain the current project schedule to complete the upgrade of the Niagara Visitors Center by mid-2016, a Change Order will be issued to increase Hadley’s contract to \$10,857,886.50 to incorporate the enhanced vision and to remove the detailed design and construction of the St. Lawrence and Blenheim-Gilboa (“B-G”) Visitors Centers from its contract. Also, in order to allow sufficient funding, should the detailed engineering design and field work require further modifications to the exhibits or elevator, an additional \$750,000 above the revised contract value is requested. The cost for any additional work will only be released to Hadley if the need arises and will not be reflected in the amended Purchase Order. Hadley will complete the conceptual plans to enable the final design and construction of the displays and exhibits at St. Lawrence and B-G. The detailed design and construction phases for St. Lawrence and B-G will be reissued for bid in 2016 with additional funding requested for each. As a result, project completion for St. Lawrence and B-G will be delayed by approximately one year until 2018.

This project strategy will enable lessons learned at the Niagara Visitors Center to be incorporated in the upgrade of the St. Lawrence and B-G Visitors Centers. Updates to these CEARs will be addressed at the time of bid for the final design and construction for these facilities.

ENGINEERING, PROCUREMENT, CONSTRUCTION, DIRECT and INDIRECT COSTS

The Trustees are requested to approve additional capital expenditures for construction and Authority direct and indirect costs to continue the design and implementation of the work for the Niagara Visitors Center as follows:

	Previous Estimate (\$000)	Current Request (\$000)	Current Total Estimate (\$000)
Preliminary Engineering/Licensing	50.0	0.0	50.0
Engineering and Design	725.1	0.0	725.1
Procurement/Materials	0.0	0.0	0.0
Construction	7356.0	5088.2	12444.2
Authority Direct/Indirect	793.9	256.8	1050.7
	8925.0	5345.0	14270.0

Future-year funding for design and construction will be included in the Capital Budget request for that year.

FISCAL INFORMATION

Payment 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 Senior Vice President – Public Affairs and Business Development, the Vice President – Project Management, the Vice President – Procurement, the Project Manager and the Regional Manager of Western NY recommend that the Trustees approve additional capital expenditures in the amount of \$5.345 million, and a \$2.6 million increase in the contract with Hadley Exhibits, Inc. of Buffalo, NY for the Robert Moses Niagara Power Project Power Vista Visitors Center Upgrades.

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, additional capital expenditures in the amount of \$5.345 million are hereby approved for the Robert Moses Niagara Power Project Power Vista Visitors Center ("Niagara Visitors Center") Upgrade, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

<u>Capital</u>	<u>Expenditure Authorization</u>
Niagara Power Project Power Vista Visitors Center	
Previous Authorization	\$ 8.925 million
Additional Request	\$ <u>5.345 million</u>
Total Authorization	\$ <u>14.270 million</u>

AND BE IT FURTHER RESOLVED, That in pursuant to the Guidelines for Procurement Contracts adopted by the Authority, an increase in contract with Hadley Exhibits, Inc. of Buffalo, NY in the amount of \$2.6 million is hereby approved for the Niagara Visitors Center Upgrade Project, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

<u>Contractor</u>	<u>Contract Authorization</u>
Hadley Exhibits, Inc. Buffalo, NY	
Previous Authorization	\$ 9.0 million
Additional Request	\$ <u>2.6 million</u>
Total Authorization	\$ 11.0 million

AND BE IT FURTHER RESOLVED, That the Chairman, 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.