



**Date:** September 27, 2016

**To:** THE TRUSTEES

**From:** THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**Subject:** **Procurement (Services) Contracts –  
Business Units and Facilities –  
Awards, Extensions and/or Additional Funding**

**SUMMARY**

The Trustees are requested to approve the award and funding of the multiyear procurement (services) contracts listed in Exhibit “A,” as well as the continuation and/or funding of the procurement (services) contracts listed in Exhibit “B,” in support of projects and programs for the Authority’s Business Units/Departments and Facilities. Detailed explanations of the recommended awards and extensions, 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, or the reasons for extension and the projected expiration dates, 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.

The Authority’s EAPs also require the Trustees’ approval when the cumulative change-order value of a personal services contract exceeds \$500,000, or when the cumulative change-order value of a non-personal services, construction, equipment purchase, or non-procurement contract exceeds the greater of \$1 million or 25% of the originally approved contract amount not to exceed \$3 million.

**DISCUSSION**

**Awards**

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 all contracts, which range in estimated value from \$25,000 to \$15 million. 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.

### **Extensions**

Although the firms identified in Exhibit "B" have provided effective services, the issues or projects requiring these services have not been resolved or completed and the need exists for continuing these contracts. The Trustees' approval is required because the terms of these contracts will exceed one year including the extension, the term of extension of these contracts will exceed one year and/or because the cumulative change-order limits will exceed the levels authorized by the EAPs in forthcoming change orders. The subject contracts contain provisions allowing the Authority to terminate the services at the Authority's convenience, without liability other than paying for acceptable services rendered to the effective date of termination. These contract extensions do not obligate the Authority to a specific level of personnel resources or expenditures.

Extension of the contracts identified in Exhibit "B" is requested for one or more of the following reasons: (1) additional time is required to complete the current contractual work scope or additional services related to the original work scope; (2) to accommodate an Authority or external regulatory agency schedule change that has delayed, reprioritized or otherwise suspended required services; (3) the original consultant is uniquely qualified to perform services and/or continue its presence and rebidding would not be practical or (4) the contractor provides a proprietary technology or specialized equipment, at reasonable negotiated rates, that the Authority needs to continue until a permanent system is put in place.

The following is a detailed summary of each recommended contract award and extension.

### **Contract Awards in Support of Business Units/Departments and Facilities:**

#### **Business Services**

##### ***Corporate Finance***

The contracts with **Navigant Consulting, Inc. and Nexant, Inc.** would provide for transmission and electric rate consulting services to the Authority, including but not limited to, the following four general areas: 1) Transmission Revenue Requirement analysis, annual true-up process for a formulaic rate, Return on Equity analysis and preparing/supporting testimony for filings to the Federal Energy Regulatory Commission ("FERC") or other governing entity; 2) rate development / design / evaluations and analyses of the Authority's customer sectors in connection with the sale of its electric commodity; 3) general rate, pricing, power contract evaluations, market analysis and support services; and 4) assistance in reviewing delivery rate case filings, including revenue requirement and cost allocation to the Authority's governmental customers. To that end, bid documents (**Q16-6072JMT**) were developed by staff and were

downloaded electronically from the Authority's Procurement website by 73 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*. Four bids were received and evaluated, as further set forth in the Award Recommendation documents. Based on a thorough review and assessment of each bidder's respective qualifications, experience and expertise, as well as hourly rates, staff determined that none of the bidders demonstrated the requisite criteria to cover all four areas of requested services, given the diversity of anticipated projects. Staff therefore recommends the award of contracts to two firms, Navigant and Nexant on the basis of "best value", which optimizes quality, cost and efficiency. The award of contracts to these two firms, whose experience, expertise and strengths complement each other, would provide the best value to the Authority; together these firms meet all the bid requirements and possess the high level, breadth and depth of required experience and expertise, thereby ensuring the Authority of adequate quality resources, as needed. It should be noted that one of these firms has provided satisfactory services under an existing contract for such work. The new contracts would become effective on or about October 1, 2016, for an intended term of up to five years, 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, \$3.6 million. Such contracts will be monitored for utilization levels, available approved funding and combined total expenditures.

### **Commercial Operations**

#### ***Fuel Planning & Operations***

The contract with **Saybolt LP ("Saybolt") (FD-2016-01)** would provide for independent petroleum inspection and other related services in connection with the delivery, transfer and storage of various types of distillate fuel oil within the New York Harbor and Long Island areas. Such services include, but are not limited to, the inspection, measurement and testing of bulk oil deliveries and transfers made via barge, tanker, pipeline or truck to the Authority's electric generating stations and/or oil storage facilities situated within the aforementioned areas for the Richard M. Flynn, 500 MW and Astoria Energy II power plants. The resulting data on oil quantity and quality provides the basis for both paying for oil delivered and assessing penalties for non-conforming oil, as well as for providing evidence of compliance with environmental quality regulations. Since the existing contract for such services expires at the end of the year, and the need for such services is ongoing, staff developed a new Request for Proposals (**QFS-2016-01**). Seven firms were invited to bid, in addition to those that may have responded to a notice in the New York State *Contract Reporter*. Six proposals were received and evaluated. Based on each firm's unit pricing for the required services and forecasted demand / projected usage, staff calculated the total costs for providing such services (including a mixture of delivery modes and quantities for each mode of delivery or activity) for each of the bidders. Based on the foregoing and as further set forth in the Award Recommendation documents, staff recommends the award of a contract to Saybolt, the lowest evaluated price bidder, which is qualified to perform the services, is fully responsive to the Authority's bid requirements and has provided satisfactory services under an existing contract for such work. The new contract would become effective on or about January 1, 2017 for an intended term of up to three years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$132,000.

## Economic Development & Energy Efficiency

### *Energy Efficiency*

The contracts with **Millennium Maintenance & Electrical Contractors, Inc. (“Millennium”)** and **Threetech Electric, Inc. (“Threetech”)** (Q16-6052AT; PO#s TBA) would provide for electrical installation or replacement services of sample and warranty energy efficient lighting fixtures and/or appurtenances at various Customer facilities (e.g., schools and government buildings) located throughout the five boroughs of New York City and Westchester County, on an “as needed” basis, as part of the Authority’s Energy Services Program. Bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 72 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*. Three proposals were received and evaluated, as further set forth in the Award Recommendation documents. While all three bidders were determined to be technically qualified and met the bid requirements, staff recommends the award of contracts to two firms, Millennium and Threetech, based on their reasonable and competitive pricing. It should be noted that both of the recommended firms have provided satisfactory services under prior / existing contracts for such work. The award of contracts to two firms is recommended in order to ensure the availability of resources to accommodate the potential volume and/or scheduling of work that may be requested, as well as to address any potential conflict of interest or performance issues. The new contracts would become effective on or about October 1, 2016, for an intended term of up to four years, 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, \$1.125 million. Such contracts will be monitored for utilization levels, available approved funding and combined total expenditures. It should be noted that both firms are NYS-certified Minority-owned Business Enterprises (“MBEs”). It should also be noted that all costs will be recovered by the Authority.

Due to the need to commence services, interim approval was obtained to award a contract to **Ohm’s Electrical Corp. (“Ohm’s”)** (4500274867), effective August 24, 2016, in the amount of \$1,386,206, subject to the Trustees’ ratification and approval, in accordance with the Authority’s Guidelines for Procurement Contracts and EAPs. The contract provides for electrical installation services to support the implementation of an energy efficient lighting upgrade project for the Port Authority of New York and New Jersey at John F. Kennedy International Airport, as part of the Authority’s Energy Services Program. Bid documents (Q15-5971MC) were developed by staff and were downloaded electronically from the Authority’s Procurement website by 64 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*. Three proposals were received and evaluated, as further set forth in the Award Recommendation documents. Staff recommends award of a contract to **Ohm’s**, the lowest evaluated price bidder, which is qualified to perform these services, meets the bid requirements and has provided satisfactory services under a prior contract for such work. The intended term of the contract is up to two years, subject to the Trustees’ approval, which is hereby requested. (In the interest of transparency, it should be noted that the anticipated contract term set forth in the original bid documents was one year; a subsequent reassessment of the project prior to finalization of the contract award concluded that a two-year term was more realistic. Accordingly, a Post-Bid Addendum was issued to the three bidders, who confirmed that they would maintain their original bid pricing without adjustment for the extended contract term.) Approval is also requested for the total amount expected to be expended for the term of the contract, \$1,386,206. It should be noted that Ohm’s is a NYS-certified Woman-owned Business Enterprises (“WBE”). It should also be noted that all costs will be recovered by the Authority.

## **Human Resources & Enterprise Shared Services (“ESS”)**

### ***HR – Benefits***

The Authority offers a comprehensive healthcare benefit package to its union and salaried / management employees. Since the current agreements for Third Party Administrative (“TPA”) services for the Authority’s healthcare benefit programs are expiring on December 31, 2016, the Employee Benefits Group, assisted by its benefits consultant, Buck Consultants, sought proposals (**Q16-6019MR**) from providers of TPA services for the Authority’s self-insured major medical, hospitalization, prescription drug (including an Employer Group Waiver Plan, “EGWP”, for Medicare-eligible retirees), dental and vision care plans, and related flexible spending accounts, as well as short-term disability and specific and aggregate stop loss applicable to medical and prescription drug benefits. Prospective bidders were invited to submit proposals for any or all categories of the aforementioned services for the Authority’s various employee groups and retirees, with eligible participants including active and retired Salaried employees, members of the International Brotherhood of Electrical Workers (“IBEW”) and the Utility Workers’ Union of America (“UWUA”), as well as retired members of Teamsters’ Local 887. The potential number of enrollees offered such coverage is approximately 3,300 (active employees and retirees). Bid documents were developed by staff and were downloaded electronically from the Authority’s Procurement website by 46 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*; one additional firm obtained the bid documents from an alternate source. Proposals were received from ten firms for one or more service categories set forth in the bid documents. Buck Consultants assisted Authority staff in evaluating the data submitted in the proposals. After an initial review of all bids received, four firms were invited for finalists’ presentations / meetings; conference calls were conducted with the incumbents for dental and vision care. Bidders were invited to present their proposals in detail and to provide any additional data that were requested during the meetings. Such meetings also afforded Authority staff the opportunity to meet the respective account representatives and to clarify any outstanding questions or issues. A more detailed evaluation and analysis of the proposals and clarifications provided during the finalists’ meetings were subsequently performed, as further set forth in the Award Recommendation documents.

Based on the aforementioned detailed evaluation and analysis of all the proposals, presentations and evaluation criteria, staff recommends the award of contracts to the following four firms: **UnitedHealthcare Services, LLC (“UHC”), Express Scripts, Inc. (“ESI”), Delta Dental of New York, Inc. (“Delta Dental”) and Davis Vision, Inc. (“Davis Vision”)** to provide for TPA services for the Authority’s healthcare benefit programs on a self-insured basis. Services would be provided as follows: (1) UHC would continue to provide TPA services for the major medical program for the Authority’s active and retired Salaried, IBEW and UWUA employees, as well as for retired Teamsters, and the flexible spending account program for active Salaried, IBEW and UWUA employees; under the new contract, UHC would also provide TPA services for hospitalization for the aforementioned active employee and retiree groups; (2) ESI would provide for TPA services for the prescription drug program for active and retired Salaried, IBEW and UWUA employees, as well as Teamster retirees; (3) Delta Dental would continue to provide TPA services for the dental program for all active employees; and Davis Vision would provide TPA services for the optional vision care program for active Salaried employees only. No contract awards are recommended at this time for short-term disability or stop loss, as a result of this Request for Proposals (“RFP”); these services will be reevaluated. Since some of the new contracts will cover additional employee / retiree groups and/or will not be awarded to the incumbent provider, a transition period is required to set up plans and

program files prior to the commencement of actual TPA services on January 1, 2017. In order to allow sufficient lead time for the vendor/s to prepare for open enrollment as well as the January 1 implementation date, interim approval was obtained to provide for vendor notification of award effective September 1, 2016. The Trustees are requested to ratify and approve award of the subject contracts for an intended term of up to five and one-third years (including the preparatory / transition period commencing at the time of vendor notification), subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contracts: \$9,400,000 for UHC (4500276445), \$1,350,000 for ESI (4500276426), \$450,000 for Delta Dental (4500276429) and \$25,000 for Davis Vision (4500276433). It should be noted that these amounts do not include actual claims funding. It should also be noted that healthcare benefit programs for The Canal Corp. are handled separately and therefore were not included in this RFP.

### ***HR – Contingent Staffing***

The Authority strives to maintain an appropriate staffing complement of full-time employees committed to achieving its business objectives, however a portion of its staffing needs may be filled through the short-term use of temporary staff (e.g., to meet peak work demands, staff augmentation, project delivery and/or to obtain a unique skill set or knowledge not currently available in the Authority's workforce on a temporary basis). The departments, disciplines or areas of expertise that may require temporary staffing include, but are not limited to, the following non-technical areas: administrative and project coordination; audit, risk management and business process review; communications; finance, budget and accounting; human resources; knowledge management; procurement; and strategy and analysis. The Authority has an immediate need to utilize such temporary staff to fill resource gaps and to support the integration of the Canal Corp. Additionally, as the Authority's permanent workforce grows to support expanding areas, such as Smart Grid and Cyber Security, the "temp-to-perm" option will facilitate any such warranted conversions. Bid documents were developed by staff and were downloaded electronically from the Authority's Procurement website by 256 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. Forty-seven bids were received and evaluated on the quality of the proposal, recruitment staff and their qualifications, hourly billing rates (labor rate plus mark-up), quality of submitted resumes, experience within the tristate area, recruitment process and acceptance of the Authority's commercial terms and conditions, as further set forth in the Award Recommendation documents. Staff recommends the award of contracts to the following 15 firms: **ASR International Corp., Datrose, Eclaro International, Inc. ("Eclaro"), Infinity Consulting Solutions, Inc., Kforce, Inc., LanceSoft, Inc., Mindlance, Inc., Monroe Staffing Services, Inc., Nexus Staffing, Inc. ("Nexus"), Rangam Consultants, Inc. ("Rangam"), Reinhard-Madison Approach Staffing dba Madison Approach Staffing, Inc. ("Madison"), Solomon Page Group, LLC, TTI of USA, Inc., vTech Solution, Inc., and WisEngineering, LLC.** The new contracts would become effective on or about October 1, 2016, for an intended term of up to five years (three-year award with an option to extend for up to two additional years), subject to the Trustees' approval, which is hereby requested. (All such contracts would be coterminous, regardless of the start date.) Approval is also requested for the aggregate total amount expected to be expended for the initial three-year term of the contracts, \$15 million. Such contracts will be monitored for utilization levels, available approved funding and combined total expenditures. It should be noted that Datrose, Eclaro and Nexus are NYS-certified MBEs, Madison is a NYS-certified WBE, and Rangam and WisEngineering are NYS-certified as both MBEs and WBEs.

## **ESS – Corporate Support**

The Authority owns and operates the Clarence D. Rappleyea Building, which is served by six traction elevators installed by Otis Elevator Company when the building was constructed in 1981; the attached garage is served by two additional traction elevators. The original elevator controls were replaced by Kone Corporation in 1996. The building has experienced an escalation in elevator down-time and maintenance costs due to control failures over the past two years. Staff determined that a modernization project is required, which will include, but not be limited to, replacement of the obsolete controls, brakes and cables, resulting in improved performance as well as reduced down-time and operating expenses. Since Kone no longer manufactures these controls, essentially rendering them obsolete, bid documents (**Q16-6070HM**) were developed by staff and were downloaded electronically from the Authority's Procurement website by 26 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*. Five proposals were received and evaluated, as further set forth in the Award Recommendation documents. The Evaluation Committee interviewed the three lowest-priced bidders as well as local public sector building operators. Authority staff also visited a local 19-story building where Otis is completing an elevator modernization with positive results. Based on the foregoing, staff also determined that it is preferred industry practice to award both the modernization and the maintenance contracts to the same vendor for single point responsibility. Based on the foregoing, staff recommends the award of two contracts to Otis, the lowest-priced bidder, which is technically qualified and meets the bid requirements. Due to the need to commence services, interim approval was obtained to award the elevator modernization contract to **Otis Elevator Company ("Otis") (4500276397)** effective September 1, 2016, in the initial award amount of \$100,000, subject to the Trustees' ratification and approval, in accordance with the Authority's Guidelines for Procurement Contracts and EAPs. The Trustees are hereby requested to ratify and approve award of the subject contract for an intended term of up to two years, as well as the aggregate total amount expected to be expended for the term of this contract, \$2,285,352 (comprising \$2,203,445 for modernization work, \$55,500 for maintenance during modernization, \$22,000 for options and \$4,407 for Performance and Payment Bonds). Staff also recommends the award of a second contract to Otis (PO# TBA) for post-modernization maintenance services, to commence upon testing and acceptance of the entire elevator modernization project, currently estimated to be approximately September 2018. The intended term of the second contract is up to five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$210,048.

The contract with **Predator Pest Control, Inc. ("Predator") (Q16-6071RM; PO# TBA)** would provide for comprehensive pest control services for the Authority's Clarence D. Rappleyea Building, garage and grounds. To that end, bid documents were developed by staff and were downloaded electronically from the Authority's Procurement website by 33 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*. Seven proposals were received and evaluated, as further set forth in the Award Recommendation documents. The three lowest evaluated price responsive bidders were invited for interviews and were evaluated in greater detail. Staff recommends the award of a contract to Predator, on the basis of "best value" that optimizes quality, cost and efficiency among responsive and responsible offerers; its proposal meets the bid requirements and is the most competitive of the technically acceptable bidders. Predator demonstrated proficiency with LEED-compliant Integrated Pest Control Management programs, relevant experience with both typical/routine as well as specialty pest control scopes, and has the required resources available to perform the work; furthermore, feedback from the firm's references was very positive and indicated a high level of customer satisfaction. The contract would become effective on or

about October 1, 2016, for an intended term of up to five years, subject to the Trustees' approval, which is hereby requested. Approval is also requested for the total amount expected to be expended for the term of the contract, \$175,000.

Due to the need to commence services, interim approval was obtained to award a contract to **Salary.com, LLC (4500275701)**, effective August 1, 2016, in the initial not-to-exceed award amount of \$16,500, subject to the Trustees' ratification and approval, in accordance with the Authority's Guidelines for Procurement Contracts and EAPs. The contract provides for a cloud-based compensation data analytics and survey management system and related services. The Authority utilizes several survey sources to market-price positions externally. The survey management system automates the job analysis process to maintain competitiveness and provides analysis tools and reporting capability to provide additional information for senior management. Bid documents (**Q16-6059RM**) were developed by staff and were downloaded electronically from the Authority's Procurement website by 78 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*. Five proposals were received and evaluated, as further set forth in the Award Recommendation documents. The initial evaluation determined that the two highest-priced bidders proposed custom-built solutions and were not considered further. The remaining three firms were invited to make presentations and were evaluated in greater detail. Based on the foregoing, staff recommends the award of a contract to Salary.com, the lowest-priced bidder, which is qualified to provide such services, meets the bid requirements and has provided satisfactory services under an existing contract for such work. The Trustees are hereby requested to ratify and approve award of the subject contract for an intended term of up to five years, as well as the total amount expected to be expended for the term of the contract, \$82,500.

### **Information Technology ("IT")**

Due to the need to commence services in order to meet the Authority's "Day 1" (January 1, 2017) operational responsibility requirement with respect to The Canal Corp., interim approval was obtained to award a contract to **Time Warner Cable, Inc. ("TWC", now Spectrum Management Holding Company LLC) (4500274843)**, effective August 1, 2016, in the initial not-to-exceed award amount of \$120,000, subject to the Trustees' ratification and approval, in accordance with the Authority's Guidelines for Procurement Contracts and EAPs. The subject contract, issued pursuant to a procurement contract for statewide comprehensive telecommunications services let by the New York State Office of General Services, provides for Wide Area Network ("WAN") infrastructure, connectivity, communications and support services for business functions at multiple locations of the Canal Corporation throughout the state. This WAN connectivity is essential to the Canal Corp. and the Authority in order to enable ongoing electronic connectivity in support of all IT network data and communications systems supporting the Canal Corp.'s business functions. The Authority's IT Infrastructure Group was tasked with designing a network infrastructure that would accommodate the network and communications required for all of the existing and anticipated future Canal Corp. locations throughout the state. It should be noted that TWC currently provides the Authority's operational and business network backbone communications services between all major Authority locations. This WAN will provide connectivity to the Authority's White Plains data center, as well as the currently identified Canal Corp. locations, allowing Authority and Canal Corp. employees to easily communicate with each other and to gain access to key IT systems, applications and data for all supporting work groups. The Trustees are hereby requested to ratify and approve award of the subject contract for an intended term of up to seven years, as well as the total amount expected to be expended for the term of the contract, \$1,091,000.

## Utility Operations

### ***Project Management***

The Authority currently owns and maintains an Energy Control Center (“ECC”) and an existing Emergency Energy Control Center (“EECC”), both of which are located at the Frederick R. Clark Energy Center (“CEC”) in Marcy, New York. There is a need for a new EECC to serve as a backup to the primary ECC in the event that the ECC becomes or is expected to be rendered inoperable for an extended period of time due to a natural or manmade disaster. The intent of this project is to develop a new alternate EECC in close proximity to the CEC in order to facilitate rapid relocation of operating staff, yet distant enough to protect the EECC from simultaneous service interruption. To that end, the Authority has recently secured a site at the New Hartford Business Park in Oneida County, New York. Bid documents (**Q16-6062MR**) for architectural / engineering and design services for the new EECC, including assistance with the bid process and construction management through project closeout, were developed by staff and were downloaded electronically from the Authority’s Procurement website by 161 firms / entities, including those that may have responded to a notice in the New York State *Contract Reporter*. Twelve proposals were received and evaluated, as further set forth in the Award Recommendation documents. Of this number, five firms were invited for interview by the Authority and were evaluated in greater detail. Based on the thoroughness of its proposal (which was most responsive to and met all the bid requirements), the depth of its team, its strength in the required disciplines, extensive control room and data center design experience, ability to meet schedule requirements, competitive pricing and satisfactory performance under prior / existing contracts with the Authority, staff recommends the award of a contract to WSP on the basis of “best value”, which optimizes quality, cost and efficiency. Due to the need to commence services, interim approval was obtained to award a contract to **WSP USA Corp. (“WSP”) (4600003196)**, effective August 18, 2016, in the initial award amount of \$100,000, subject to the Trustees’ ratification and approval, in accordance with the Authority’s Guidelines for Procurement Contracts and EAPs. The Trustees are hereby requested to ratify and approve award of the subject contract for an intended term of up to three years, as well as the total amount expected to be expended for the term of the contract, \$630,000 (which includes \$105,000 for commissioning services that may be added.)

### **Extensions and/or Additional Funding Requests:**

#### **Economic Development & Energy Efficiency and Information Technology**

The contract with **LoadSpring Solutions, Inc. (“LoadSpring”) (4500262861)** provides for offsite Oracle Primavera hosting services, including initial transfer of the Authority’s existing Primavera project scheduling and contract management relational database management software/system to a private secure cloud-based server environment, report development and user training, as well as specialized consulting/application services for enhanced reporting and system functionality, as needed. The original award, which was competitively bid, became effective on October 1, 2015 for an initial term of up to one year, in the amount of \$272,530. An additional \$67,200 was subsequently authorized in accordance with the Authority’s EAPs. (It should be noted that the Request for Proposals had sought pricing for an intended term of up to five years, which included four additional years of cloud-based hosting services and support,

which the bidders provided. At the time of the original contract award, staff recommended that such extension be sought upon successful completion of the initial system transfer and launch of the private server, acceptance of the cloud-based hosting solution by the Authority and satisfactory performance by LoadSpring during the first year.) A four-year extension of the subject contract is now requested to provide for the continuation of cloud-based hosting services and support, as well as additional application services and implementation of LoadSpring's recommendations resulting from an onsite review and assessment performed at the Authority's request earlier this year. The current contract amount is \$339,730; staff anticipates that additional funding in the amount of \$583,000 will be required for the extended term. The Trustees are requested to approve extension of the subject contract through September 30, 2020, as well as the additional funding requested, thereby increasing the total approved contract value to \$922,730.

### Law

The contract with **Gibson, Dunn & Crutcher LLP ("Gibson Dunn") (4500238151)** provides for legal counsel and representation services in connection with certain confidential ongoing matters. The original contract, which was awarded as the result of a competitive search, became effective on October 1, 2013, in the amount of \$500,000. Cumulative additional funding in the amount of \$500,000 and a short-term interim extension were subsequently authorized in accordance with the Authority's Procurement Guidelines and EAPs. At their meeting of October 15, 2014, the Trustees approved a two-year extension of the subject contract through September 30, 2016, as well as additional funding in the amount of \$1 million. These confidential ongoing matters have resulted in additional requests for information and other related services. Gibson Dunn has established credibility with all parties during the past three years and it is both beneficial and efficient for the Authority to maintain the status of these relationships through Gibson Dunn's continued counsel and representation services. Based on the ongoing, active federal investigation being conducted by the U.S. Department of Justice ("DOJ") and Gibson Dunn's role as the Authority's legal interface with the DOJ, coordinating the Authority's formal records production and witness appearances in connection with subpoenas and related requests, as well as advising the Authority while providing legal strategy relating to various processes, an additional two-year extension is now requested. The current contract amount is \$2 million; staff anticipates that no additional funding will be required for the extended term. The Trustees are requested to approve the additional two-year extension through September 30, 2018, with no additional funding requested.

### Utility Operations

#### ***Project Management and STL***

The contract with **Barrett Paving Materials, Inc. ("Barrett") (4500271086)** provides for the upgrade and repaving of Barnhart Island Road in Massena, NY, as part of the St. Lawrence Main Access Road Tunnel to Dam Rehabilitation, which is a Joint Works Agreement Project with Ontario Power Generation. The original award was for Phase I, which was competitively bid and became effective on April 15, 2016 for a term of up to one year, in the amount of \$933,765. A change order in the amount of \$85,500 was subsequently issued for additional work related to the replacement of a main culvert pipe under the road. The original plan called for Phase II of this project to be competitively bid in 2017. However, based on recently emergent unsafe road conditions, as well as a projected Joint Works funding underrun, in

addition to cost savings due to the contractor already being onsite and current pricing, staff recommended that an initial portion of Phase II work (for an estimated cost of up to \$2 million) be accelerated and added to the existing contract. Interim approval to proceed as well as additional funding in the amount of \$914,500 was authorized in accordance with the Authority's Procurement Guidelines and EAPs, increasing the scope of work for 2016 under the existing contract to include the Main Road from the Barnhart Island Bridge up to the main security gate (1.88 miles). The current contract amount is \$1,933,765; additional funding in the amount of \$1,085,500 is now requested in order to complete the additional work for the initial accelerated portion of Phase II. The Trustees are requested to ratify and approve the requested funding for the subject contract, thereby increasing the total approved contract value to \$3,019,265. It should be noted that approximately 50% of the total cost will be reimbursed to the Authority by Ontario Power Generation per the Joint Works Agreement.

### FISCAL INFORMATION

Funds required to support contract services for various Business Units/Departments and Facilities have been included in the 2016 Approved Operations 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, as applicable.

### RECOMMENDATION

The Senior Vice President – Operations Support Services and Chief Engineer, the Senior Vice President – Power Generation, the Senior Vice President – Economic Development & Energy Efficiency, the Senior Vice President – Human Resources and Enterprise Shared Services, the Senior Vice President and Chief Information Officer, the Assistant General Counsel – Contracts, Licensing & Environmental, the Vice President – Environment, Health & Safety, the Vice President – Project Management, the Vice President – Procurement, the Vice President – Engineering, the Vice President – Enterprise Shared Services, the Vice President – Energy Services Implementation, the Vice President – HR & Organizational Development, the Vice President – Finance, the Director – Total Compensation & HRIS, the Director – Fuel Planning & Operations, the Regional Manager – Western New York, the Regional Manager – Northern New York, the Regional Manager – Central New York and the Regional Manager – Southeastern New York recommend that the Trustees approve the award of multiyear procurement (services) contracts to the companies listed in Exhibit "A" and the extension and/or funding of the procurement (services) contracts listed in Exhibit "B," for the purposes and in the amounts discussed within the item and/or listed in the respective exhibits.

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 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 pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the contracts listed in Exhibit "B," attached hereto, are hereby approved and extended 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 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, 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")

EXHIBIT "A"  
September 27, 2016

<u>Plant Site</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Expected Expenditures For Life Of Contract</u>
BUSINESS SERVICES - CORPORATE FINANCE	<b>Q16-6072JMT; 2 awards:</b> <b>1. NAVIGANT CONSULTING, INC.</b> New York, NY <b>4500275657</b> <b>2. NEXANT, INC.</b> White Plains, NY <b>4500275688</b>	10/01/16 (on or about)	Provide for consulting services in connection with the Authority's transmission cost-of-service, rate development, cost recovery, rate/market analysis, FERC filings, and related matters, as needed	09/30/21	B/P			<b>\$3,600,000*</b>
						*Note: represents aggregate total for up to 5-year term		
COMMERCIAL OPERATIONS - FUEL PLANNING & OPERATIONS	<b>SAYBOLT LP</b> Houston, TX (HQ) Linden, NJ (Branch Office) <b>(QFS-2016-01; PO# TBA)</b>	01/01/17 (on or about)	Provide for independent petroleum inspection and other related services	12/30/19	B/P			<b>\$132,000*</b>
						*Note: represents total for up to 3-year term		
ECONOMIC DEVELOPMENT & ENERGY EFFICIENCY - ENERGY EFFICIENCY	<b>Q16-6052AT; 2 awards:</b> <b>1. MILLENNIUM MAIN- ♦ TENANCE &amp; ELECTRICAL CONTRACTORS, INC.</b> Brooklyn, NY <b>2. THREETECH ♦ ELECTRIC, INC.</b> Staten Island, NY (PO#s TBA)	10/01/16 (on or about)	Provide for electrical installation services of sample and warranty energy efficient lighting at various Customer facilities within the 5 boroughs of NYC and Westchester County, on an "as needed" basis, as part of the Energy Services Program	09/30/20	B/C			<b>\$1,125,000*</b>
						*Note: represents aggregate total for up to 4-year term <b>All costs will be recovered by the Authority.</b>		
ECONOMIC DEVELOPMENT & ENERGY EFFICIENCY - ENERGY EFFICIENCY	<b>OHM'S ELECTRICAL ♦ CORP.</b> Glendale, NY <b>(Q15-5971MC; 4500274867)</b>	08/24/16	Provide for electrical installation services to support implementation of an energy efficient lighting upgrade project at JFK airport	08/23/18	BC	\$1,386,206		<b>\$1,386,206*</b>
						*Note: represents total for up to 2-year term <b>All costs will be recovered by the Authority.</b>		

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**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"**  
**September 27, 2016**

<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 Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
HUMAN RESOURCES & ENTERPRISE SHARED SERVICES - HR / BENEFITS	<b>Q16-6019MR;</b> <b>4 awards:</b>	<b>09/01/16</b> (eff. date; vend- or notification) <b>01/01/17</b> (start of actual TPA services)	Provide Third Party Administrative ("TPA") services for the Authority's Healthcare Benefit programs	12/31/21	B/S			
							<b>Total projected TPA cost per vendor for up to 5-1/4 year term: (does <u>not</u> include actual claims funding)</b>	
								<b>\$9,400,000</b>
								<b>\$1,350,000</b>
								<b>\$450,000</b>
								<b>\$25,000</b>
			<u>Salaried</u> (active & retired)	<u>IBEW</u> (active & retired)	<u>UWUA</u> (active & retired)	<u>Teamsters</u> (retired)		
			MAJOR MEDICAL and HOSPITALIZATION	UHC	UHC	UHC	UHC	
			PRESCRIPTION DRUGS	ESI	ESI	ESI	ESI	
			DENTAL	DELTA DENTAL (active only)	DELTA DENTAL (active only)	DELTA DENTAL (active only)	N/A	
			VISION CARE	DAVIS VISION (active only)	N/A	N/A	N/A	
			FLEXIBLE SPENDING ACCOUNTS	UHC (active only)	UHC (active only)	UHC (active only)	N/A	

Note: Healthcare benefit programs for The Canal Corp. are handled separately and therefore were not included in this RFP.

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

**EXHIBIT "A"**  
**September 27, 2016**

<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 Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
HUMAN RESOURCES & ENTERPRISE SHARED SERVICES - HR / CONTINGENT STAFFING	<b>Q16-6056MR; 15 awards:</b>  <b>1. ASR INTERNATIONAL CORP.</b> Hauppauge, NY  <b>2. DATROSE ♦</b> Webster, NY  <b>3. ECLARO INTER- ♦ NATIONAL, INC.</b> New York, NY  <b>4. INFINITY CONSULT- ING SOLUTIONS, INC.</b> New York, NY  <b>5. KFORCE, INC.</b> Tampa, FL  <b>6. LANCESOFT, INC.</b> Herndon, VA (HQ) New York, NY (Branch Office)  <b>7. MINDLANCE, INC.</b> Hoboken, NJ  <b>8. MONROE STAFFING SERVICES, INC.</b> Trumbull, CT  <b>9. NEXUS STAFFING, INC. ♦</b> Floral Park, NY  <b>10. RANGAM CONSULT- ♦ ANTS, INC.</b> Somerset, NJ	10/01/16 (on or about)	Provide for temporary staffing services to sup- port non-technical areas	09/30/21 * (3-yr award with 2-yr option to extend)  * coterminous for all 15 con- tracts, regard- less of start date	B/S			<b>\$15,000,000*</b>

\*Note: represents aggregate total for initial 3-year term; approval requested for approx. 5-year term

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**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"  
September 27, 2016

<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 Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
	<b>11. REINHARD-MADISON APPROACH STAFFING dba MADISON APPROACH ♦ STAFFING, INC.</b> Elmsford, NY							
	<b>12. SOLOMON PAGE GROUP, LLC</b> New York, NY							
	<b>13. TTI OF USA, INC.</b> New York, NY							
	<b>14. VTECH SOLUTION, INC.</b> Washington, D.C.							
	<b>15. WISEENGINEERING, LLC ♦</b> Dover, NJ (PO#s TBA)							
HUMAN RESOURCES & ENTERPRISE SHARED SERVICES - ESS / FACIL MGMT	<b>Q16-6070HM; 2 awards to:  OTIS ELEVATOR COMPANY</b> Yonkers, NY		Provide for Rappleyea Building and Garage Elevator Modernization + 5-year Maintenance contract					<b>\$2,495,400*</b>
	<b>1. Modernization 4500276397</b>	09/01/16		08/31/18	B/C	\$100,000 (Initial Award Amount)		
	<b>2. Maintenance (PO# TBA)</b>	est. 09/01/18 (to commence upon testing & acceptance of entire Elevator Mod- ernization Project, cur- rently estimated to be approx. Sept. 2018)		08/31/23 (or 5 years from actual Effective Date)	B/S	* Note: represents aggregate total for up to 7-yr combined term; includes <b>\$2,285,352 total for 2-year elevator modernization contract</b> (comprising \$2,203,445 for Modernization - base bid + \$55,500 for Maintenance during Modernization + \$22,000 for Options and \$4,407 for Perf. & Payment Bonds) <b>and \$210,048 for 5-year Post-Modernization Maintenance contract</b>		

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**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"**  
**September 27, 2016**

<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 Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
HUMAN RESOURCES & ENTERPRISE SHARED SERVICES - ESS / FACIL MGMT	<b>PREDATOR PEST CONTROL, INC.</b> Howard Beach, NY <b>(Q16-6071RM;</b> PO# TBA)	10/01/16 (on or about)	Provide for pest control services for the Rappleyea Building, garage & grounds	09/30/21	B/S			<b>\$175,000*</b>
							*Note: represents total for up to 5-year term	
HUMAN RESOURCES & ENTERPRISE SHARED SERVICES - HR / COMPENSATION	<b>SALARY.COM, LLC</b> Wellesley, MA <b>(Q16-6059RM;</b> <b>4500275701)</b>	08/01/16	Provide for a cloud-based compensation data analytics and survey management system and related services	07/31/21	B/S	\$16,500 (Initial not-to-exceed Award Amount)		<b>\$82,500*</b>
							*Note: represents total for up to 5-year term	
INFORMATION TECHNOLOGY	<b>TIME WARNER CABLE (now SPECTRUM MANAGEMENT HOLDING COMPANY LLC)</b> Latham, NY <b>4500274843</b>	08/01/16	Provide for Wide Area Network infrastructure, connectivity, communications and support services for business functions at multiple locations of The Canal Corp.	07/31/23	B/S	\$120,000 (Initial not-to-exceed Award Amount)		<b>\$1,091,000*</b>
							*Note: represents total for up to 7-year term	
UTILITY OPERATIONS - PROJECT MANAGEMENT + CEC	<b>WSP USA CORP.</b> New York, NY <b>(Q16-6062MR;</b> <b>4600003196)</b>	08/18/16	Provide for A/E and Design services (as well as assistance with bid process & construction mgmt through project closeout) for a new Emergency Energy Control Center	08/17/19	B/P	\$100,000 (Initial Award Amount)		<b>\$630,000*</b>
							*Note: represents total for up to 3-year term	

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**Procurement (Services) Contracts – Extensions and/or Additional Funding**  
(For Description of Contracts See "Discussion")

EXHIBIT "B"  
September 27, 2016

<u>Plant Site/ Bus. Unit</u>	<u>Company Contract #</u>	<u>Start of Contract</u>	<u>Description of Contract</u>	<u>Closing Date</u>	<u>Award Basis<sup>1</sup> Contract Type<sup>2</sup></u>	<u>Compensation Limit</u>	<u>Amount Expended To Date</u>	<u>Authorized Expenditures For Life Of Contract</u>
ECONOMIC DEVELOPMENT & ENERGY EFFICIENCY + INFORMATION TECHNOLOGY	<b>LOADSPRING SOLUTIONS, INC.</b> Wilmington, MA <b>4500262861</b>	10/01/15	Provide for offsite Oracle Primavera cloud hosting services	09/30/20	B/S	\$339,730	\$212,350	<b>\$922,730*</b>
						*Note: represents original award amount of \$272,530 + an additional \$67,200 authorized per the EAPs + <b>CURRENT REQUEST for \$583,000</b>		
LAW	<b>GIBSON, DUNN &amp; CRUTCHER, LLP</b> Los Angeles, CA (HQ) New York, NY (Branch Office) <b>4500238151</b>	10/01/13	Provide for legal counsel and representation services in connection with certain confidential ongoing matters	09/30/18	C/L	\$2,000,000	\$942,164	<b>\$2,000,000*</b>
						*Note: represents previously approved total of \$2 million; <b>NO additional funding requested</b>		
UTILITY OPERATIONS - POWER GEN - STL	<b>BARRETT PAVING MATERIALS, INC.</b> Watertown, NY <b>4500271086</b>	04/15/16	Provide for upgrade and repaving of Barn- hart Island Road - Phase I and initial portion of Phase II -- STL	04/14/17	B/C	\$1,933,765	\$0	<b>\$3,019,265*</b>
						*Note: represents original award amount of \$933,765 + an additional \$1 million authorized per the EAPs + <b>CURRENT REQUEST for \$1,085,500</b> <b>Approx. 50% of the costs will be reimbursed to the Authority</b> <b>by Ontario Power Generation, per the Joint Works Agreement.</b>		

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**2 Contract Type:** P= Personal Service; S= (Non-Personal) Service; C= Construction; E= Equipment; N= Non-Procurement; L= Legal Service