

**MINUTES OF THE MEETING  
OF  
THE GOVERNANCE COMMITTEE**

**February 24, 2009**

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**A meeting of the Governance Committee was held via videoconference at the Authority's offices at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York, and King Reporting Service, 14 Sun Tree Place, Suite 101, Melbourne, Florida, at approximately 8:38 a.m.**

**The following Members of the Governance Committee were present:**

*Trustee Eugene L. Nicandri, Chairperson*  
*Trustee Elise M. Cusack*

**Also in attendance were:**

<i>Gil Quiniones</i>	<i>Chief Operating Officer</i>
<i>Joseph Del Sindaco</i>	<i>Executive Vice President and Chief Financial Officer</i>
<i>Joan Tursi</i>	<i>Senior Vice President – Enterprise Shared Services</i>
<i>Joseph Gryzlo</i>	<i>Vice President – Ethics and Employee Resources</i>
<i>Agnes Harris</i>	<i>Vice President – Human Resources</i>
<i>Patricia Leto</i>	<i>Acting Vice President - Procurement</i>
<i>Lesly Pardo</i>	<i>Vice President – Internal Audit</i>
<i>Anne Cahill</i>	<i>Corporate Secretary</i>
<i>Angela Graves</i>	<i>Deputy Corporate Secretary</i>
<i>Albert Swansen</i>	<i>First Deputy Inspector General</i>
<i>Brian McElroy</i>	<i>Treasurer</i>
<i>Dennis Eccleston</i>	<i>Chief Information Officer</i>
<i>Jacqueline Carmody</i>	<i>Attorney I</i>
<i>Mark O'Connor</i>	<i>Director – Real Estate</i>
<i>Michael Saltzman</i>	<i>Director – Media Relations</i>
<i>James Ondishin</i>	<i>Manager – Fuel Operations</i>
<i>Mary Jean Frank</i>	<i>Associate Corporate Secretary</i>
<i>Lorna Johnson</i>	<i>Assistant Corporate Secretary</i>
<i>Louise Nestler</i>	<i>Assistant Ethics Officer</i>

**1. Minutes of the Regular Meeting of November 12, 2008  
and the Special Meetings of December 23 and 30, 2008**

The minutes of the Committee's meetings of November 12, December 23 and December 30, 2008 were adopted.

## **2. Procurement, Fleet, Fuels, Corporate Finance and Real Estate Divisions' 2008 Annual Reports**

Ms. Joan Tursi presented an overview of the Authority's Procurement activities, with Mr. James Ondishin, Mr. Brian McElroy and Mr. Mark O'Connor reporting on fossil fuel purchases, corporate finance activity and acquisition and disposal of real property, respectively.

### **Procurement Contracts**

- During 2008, 2,136 contracts (excluding fossil fuel) greater than \$5,000 in value were active.
- The overall value of these contracts is more than \$1.1 billion, with \$291 million in contract expenditures for 2008.
- More than 47% of the contracts are for the purchase of equipment and commodities.
- Services such as technician work and contracted personnel accounted for 32% of the contracts.
- More than 13% of the contracts are for consulting services (e.g., engineering, design, and specialized analysis).
- Approximately 8% of the contracts are for construction work.
- Based on the total value of the contracts included in the summary, approximately 92% of the total dollars expended (excluding fuels and corporate finances) were for contracts that were competitively bid
- In terms of the number of contracts processed, approximately 69% of the contracts were competitively bid, while 31% were sole-awards, including the purchase of highly specialized spare parts and services from original equipment manufacturers and procurement of services on an emergency basis and from proprietary sources.
- While approximately 53% of the total number of non-fuel contracts in 2008 exceeded \$25,000 in value, the total value of those contracts was approximately 99% of the total non-fuel expenditures.

### **Supplier Diversity Program**

- In 2008, the Authority awarded more than \$18.7 million (or 9.2% of its reportable expenditures) on contracts with certified M/WBEs, representing both direct contracts and subcontracts and including construction and energy efficiency-related work.

- The Authority's annual goal for the use of New York State Certified Minority/Women-Owned Businesses ("M/WBEs") is 6% of its non-specialty procurements. The Authority does not include specialty procurements such as turbine runners, transformers, circuit breakers, other large electrical equipment, natural gas and other specialized goods and services since there are no M/WBEs available to provide these goods and services.
- The Authority continues an active outreach program with various M/WBE organizations and trade associations. The Authority will host its 19th Annual Purchasing Exchange on June 18<sup>th</sup> in the White Plains Office. More than 250 representatives of M/WBEs attended and met with representatives of more than 30 New York State, federal, New York City and local government entities, as well as private companies.
- The Authority continues to work with the Governor's Office to reenergize the State's women and minority business programs.

In response to a question from Governance Committee Chairman Eugene Nicandri, Ms. Tursi said that the M/WBE contractors are located all across the State, particularly the ones involved in the Authority's energy efficiency construction programs. Trustee Elise Cusack said that she was impressed by the fact that the Authority had exceeded its goal for M/WBE contracts.

### **Disposal of Personal Property**

In 2008, the Authority received more than \$1.1 million for all reportable personal property disposed of that had a value of more than \$5,000. There was only one non-fleet-related reportable personal property disposal in 2008. The Authority participated in six fleet-related auctions in 2008, four of which were conducted by the New York State Office of General Services and two of which were conducted by JJ Kane Auctioneers. Such auctions resulted in the sale of 122 units (including three lots of used tires) comprising light-duty vehicles, heavy-duty trucks and special equipment, of which 45 were greater than \$5,000 in value. The gross sale price for these 45 units was \$951,800; the net price (after commission and transportation costs were deducted) was \$885,750.

The Authority received \$251,666 (from the high bidder, TCI of NY, LLC, for disposal of the third Generator Step-Up ("GSU") transformers at the Blenheim-Gilboa Project, since the reclamation/salvage value of the scrap copper and steel exceeded the cost of disposal and recycling. The fourth GSU transformer will be changed out and disposed of in 2009.

Although "scrap" is not considered personal property, the Authority received additional revenue of \$77,690 for the sale of scrap heat exchangers and \$46,142 for stator coils at the Niagara Project.

Trustee Cusack commented that it had been another good year for the Authority in terms of its sales of personal property.

## Acquisition and Disposal of Real Property

- The Authority acquired four danger-tree easements off its existing Niagara-Adirondack Tie Line rights-of-way for vegetation management and removed dangerous vegetation on the land owned by two other individuals through negotiated settlements. In 2008, the Authority acquired 135 danger-tree permits to eliminate dangerous vegetation near the Willis-Plattsburgh, Niagara-Adirondack, Moses-Adirondack, Fitzpatrick-Edic and Moses-Willis-Plattsburgh lines. The Authority also issued 37 land-use permits for the Authority's easement areas. In response to a question from Committee Chairman Nicandri, Mr. O'Connor said that the land-use permits were primarily for roads, driveways and connecting utility distribution lines to houses.
- The available space in the Authority's Clarence D. Rappleyea headquarters office building in White Plains is essentially 100% leased. Three terminable permits to Westchester County Narcotics, Westchester County District Attorney's Office and the New York State Employees' Retirement System were issued in 2008.
- The Authority entered into a lease amendment for its Albany office that cut the amount of space it uses on the 10<sup>th</sup> floor of 30 South Pearl Street by nearly half (from 169,234 rentable square feet ("rsf") to 8,760 rsf. The amended lease terminates on February 28, 2014.
- The Authority's lease of space at 1633 Broadway, New York City (which it had sublet for the past several years) has now expired. The lease at 501 7<sup>th</sup> Avenue expires in 2010.
- As part of the St. Lawrence Project relicensing Settlement Agreement in 2003, the Authority agreed to several changes in the Project boundary that would remove approximately 1,340 acres from the Project. The Authority intends to transfer jurisdiction over approximately 741 acres at Galop Island State Park and environmentally sensitive lands in the Towns of Lisbon and Waddington to other State agencies. The remaining 599 acres of removed lands are in the process of being conveyed either to the affected local municipality or to adjoining landowners. Since the inception of this program, the Authority has conveyed a total of 230 parcels totaling 446 acres, 113 of which were conveyed in 2008. To date, the Authority has received nearly \$334,000 from the sales of these properties that will be returned to the affected local municipalities to fund public projects. A total of \$162,610 and \$6,460 have been paid to the Towns of Lisbon and Massena, respectively. In response to a question from Trustee Cusack, Mr. O'Connor said that the Authority expects that it will take another couple of years to complete the remaining conveyances, since all of them must be individually approved by the New York State Office of the Attorney General.
- As part of the Niagara Relicensing Settlement Agreement, the Authority was obligated to convey certain properties to various entities. During 2008, the Authority conveyed approximately 42 acres to the Village of Lewiston to be used for recreation fields and other community activities. Other transactions under way include: 53 acres to be

conveyed to the Tuscarora Nation, 24 acres to Niagara University and 47 acres to the City of Niagara Falls.

### **Inventory**

As of December 31, 2008, overall inventory levels at all of the Authority's operating facilities totaled \$87.87 million, compared to a year-end total in 2007 of \$78.97 million. The increase in inventory levels is largely related to equipment received to deal with issues at the 500 MW plant, with \$9 million in inventory being stockpiled for the planned 2009 outage at the plant. Inventory at the Authority's other facilities remained at close to the same levels as in 2007.

The design of the new Niagara Warehouse and Office Space Design will meet the U. S. Green Building Council's Leadership in Energy and Environmental Design ("LEED") certification requirements and optimize the volume of the warehouse with a modern racking design to provide the Niagara Project with the best possible storage solutions. The design is 60% complete and it is anticipated that an RFP for construction will be issued in the third quarter of 2009.

In response to questions from Committee Chairman Nicandri, Ms. Tursi said that the land for the new warehouse had been given to the Authority in exchange for Authority land adjacent to Niagara University's campus, in accordance with the Relicensing Settlement Agreement, and that the new warehouse will be across the road from the Visitors' Center.

### **Fuel Purchases**

- In 2008, a total of \$636 million was spent on fuel purchases -- \$617 million for natural gas and related costs and \$19 million for fuel oil. These fuel purchases were carried out through 47 contracts for natural gas and fuel oil, as well as pipeline transportation and related services.
- The price of natural gas is about \$5.50 per dekatherm (the equivalent of 1 million Btus), interstate transportation accounting for \$1.25 of that amount.
- Crude oil is currently trading at under \$40 a barrel, with the price of #6 residual fuel oil used at Poletti currently at \$43 a barrel, the oil used at Flynn at \$52 a barrel and the jet/kero used at the 500 MW plant at \$59 a barrel.
- The weak economy and increasing inventories mean that fuel prices may continue to soften.

**Corporate Finance Activity**

The “Corporate Finance Addendum” for the Annual Report of Procurement Contracts identifies non-procurement items paid during the year for unique and specialized services requiring a broad depth of knowledge and expertise that are provided by a limited group of firms. In 2008, the total amount for these items was \$2.5 million. The non-procurement items include trustees and paying agent services, commercial paper remarketing services, escrow agent services and fees paid for revolving credit agreements supporting the Authority’s Commercial Paper Programs and Adjustable Rate Tender (“ART”) Notes. The fees associated with the revolving credit agreements for the Commercial Paper Programs and ART Notes accounted for \$1.6 million and \$200,000, respectively, of the total spent in 2008.

**POWER AUTHORITY OF THE STATE OF NEW YORK**

**2008 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000**

<b>DESCRIPTION</b>	<b>PURCHASER</b>	<b>SALE PRICE</b>	<b>PRICE RECEIVED by the Authority</b>
<b>GENERATOR STEP-UP TRANS- FORMER (BG-1) AT BLENHEIM- GILBOA PROJECT</b>	<b>TCI of NY, LLC</b>	<b>\$ 251,666.00</b>	<b>\$ 251,666.00</b>
	<b>SUBTOTAL:</b>	<b>\$ 251,666.00</b>	<b>\$ 251,666.00</b>

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**2008 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000**  
**FLEET OPERATIONS**

<b>DESCRIPTION</b>	<b>PURCHASER</b>	<b>SALE PRICE</b>	<b>Commission/ Transportation Fees</b>	<b>PRICE RECEIVED * by the Authority</b>
1983 ALLIS-CHALMERS FORKLIFT	APOLLO NORTHEAST SALES & SERVICES	\$11,000.00	\$713.61	\$10,286.39
1986 HYSTER FORKLIFT	APOLLO NORTHEAST SALES & SERVICES	\$10,000.00	\$648.74	\$9,351.26
1988 GROVE MANLIFT 450AJ	BT ENTERPRISES	\$10,750.00	\$1,087.50	\$9,662.50
1988 KENWORTH HD FLATBED	VILLAGE MOTORS AUTO SALES LLC	\$17,500.00	\$1,750.00	\$15,750.00
1989 FREIGHTLINER DUMP TRUCK	KELLS AUTO SALES	\$14,000.00	\$908.24	\$13,091.76
1989 TRAILING TRAILER	RELIANCE RENTAL & LEASING	\$14,000.00	\$950.00	\$13,050.00
1990 K-LIGHT GENERATOR	TJ MARQUART & SONS	\$5,200.00	\$410.00	\$4,790.00
1990 SHERMAN & REILLY TENSIONER	NORTHLINE UTILITIES LLC	\$6,000.00	\$389.24	\$5,610.76
1991 FORD NEW HOLLAND TRACTOR	HILDERBRANT FARMS	\$9,000.00	\$583.87	\$8,416.13
1991 LEROI AIR COMPRESSOR	GREGORY LACH	\$9,250.00	\$645.83	\$8,604.17
1991 SHERMAN & REILLY TENSIONER	NORTHLINE UTILITIES LLC	\$9,750.00	\$632.52	\$9,117.48
1993 FORD F350 DUMP TRUCK	JIM'S ENTERPRISES	\$9,200.00	\$920.00	\$8,280.00
1994 FREIGHTLINER DUMP TRUCK	BROOKSIDE EQUIPMENT SALES INC	\$15,000.00	\$973.11	\$14,026.89
1995 FORD L9000	TOWN OF LEWIS	\$12,500.00	\$820.00	\$11,680.00
1995 GMC SIERRA 3500	KARL POGGE JR	\$5,500.00	\$550.00	\$4,950.00
1996 FORD F450 BUCKET TRUCK	RELIANCE RENTAL & LEASING	\$14,000.00	\$895.00	\$13,105.00
1996 FORD F450 BUCKET TRUCK	RELIANCE RENTAL & LEASING	\$14,000.00	\$895.00	\$13,105.00
1996 FREIGHTLINER DUMP TRUCK	T C LLOYD CONSTRUCTION CO INC	\$18,000.00	\$1,167.73	\$16,832.27
1996 GROVE AMZ66A MANLIFT	EJ SIMEK GENERAL CONTRACTOR	\$12,500.00	\$1,175.00	\$11,325.00
1996 VOLVO DUMP TRUCK	BROOKSIDE EQUIPMENT SALES INC	\$15,500.00	\$1,005.55	\$14,494.45
1997 EAGER BEAVER CHIPPER	GEORGE LUNSHOFF	\$5,300.00	\$415.00	\$4,885.00
1997 JACOBSEN MOWER	MACHINERY EXCHANGE	\$5,250.00	\$340.59	\$4,909.41
1997 MACK TRUCK	KT POWER INC	\$20,000.00	\$1,297.48	\$18,702.52
1999 BRONTO BUCKET TRUCK	VERSALIFT EAST INC	\$345,000.00	\$22,381.53	\$322,618.47

\* Sale Price less commission / transportation costs

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**2008 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000**  
**FLEET OPERATIONS**

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
1999 FORD F450 DUMP TRUCK	CONSTANTINE CONSTRUCTION	\$13,000.00	\$1,300.00	\$11,700.00
1999 MORBARK CHIPPER	VILLAGE TRUCK SALES INC	\$7,400.00	\$740.00	\$6,660.00
1999 MORBARK CHIPPER	DAVID HUTCHINGS	\$7,500.00	\$750.00	\$6,750.00
1999 MORBARK CHIPPER	KENNETH STONE	\$7,500.00	\$750.00	\$6,750.00
1999 MORBARK CHIPPER	ROMMEL FENCE LLC	\$7,250.00	\$470.34	\$6,779.66
2000 CHEVY SILVERADO	SAQIB CHOUDRY	\$6,100.00	\$610.00	\$5,490.00
2000 CHEVY S10	FACTORY SQUARE LLC	\$5,200.00	\$455.00	\$4,745.00
2000 FORD EXCURSION	WILLIAM CROWLEY	\$5,100.00	\$510.00	\$4,590.00
2000 FORD F350 PICKUP	KT POWER INC	\$8,500.00	\$551.43	\$7,948.57
2000 JACOBSEN MOWER HR9016	WALSH ENTERPRISES	\$11,000.00	\$713.61	\$10,286.39
2000 JLG 600SJ MANLIFT	RAY'S TRANSPORTATION INC	\$26,000.00	\$1,686.72	\$24,313.28
2000 MORBARK CHIPPER	RDCC EQUIPMENT	\$7,300.00	\$730.00	\$6,570.00
2001 FORD F550 PICKUP	TC LLOYD CONSTRUCTION CO INC	\$8,750.00	\$632.50	\$8,117.50
2001 FORD F550 PICKUP	KANESCAPES LLC	\$18,000.00	\$1,167.73	\$16,832.27
2001 INTERNATIONAL BUCKET	JCR CONSTRUCTION INC	\$130,000.00	\$8,433.62	\$121,566.38
2001 JLG AMZ68XT MANLIFT	KRISTOPHER SJOSTROM	\$34,000.00	\$1,950.00	\$32,050.00
2003 CHEVY K2500 PICKUP	D&G EQUIPMENT COMPANY	\$7,750.00	\$582.50	\$7,167.50
2003 CHEVY K2500 PICKUP	JOHN PONZI	\$6,000.00	\$513.25	\$5,486.75
2003 HONDA CIVIC	O'CONNELL ELECTRIC COMPANY INC	\$8,250.00	\$607.50	\$7,642.50
2003 TOYOTA PRIUS	O'CONNELL ELECTRIC COMPANY INC	\$9,500.00	\$670.00	\$8,830.00
2003 TOYOTA PRIUS	O'CONNELL ELECTRIC COMPANY INC	\$9,500.00	\$670.00	\$8,830.00
	<b>FLEET SUBTOTAL:</b>	<b>\$951,800.00</b>	<b>\$66,049.74</b>	<b>\$885,750.26</b>
	<b>+ SUBTOTAL Page 1:</b>	<b>\$251,666.00</b>	<b>-</b>	<b>\$251,666.00</b>
	<b>GRAND TOTAL:</b>	<b>\$1,203,466.00</b>	<b>\$66,049.74</b>	<b>\$1,137,416.26</b>

\* Sale Price less commission / transportation costs

Our total inventory of landlord leases, which generates more than \$9.7M revenue, is set out in the table below.

FACILITY	TENANT	PURPOSE	EXPIRATION	ANNUAL RENTAL
WPO	Bank of New York	Office Space	7/31/2011	\$1,264,222.00
WPO	Berman Bavero...	Office Space	9/30/2009	\$191,443.00
WPO	Beacon	Office Space	3/31/2012	\$45,000.00
WPO	Danziger & Markhoff	Office Space	3/31/2017	\$420,293.00
WPO	The Parker Group, Inc.	Office Space	3/31/2012	\$66,460.00
WPO	Hodagaya Chemical	Office Space	5/31/2010	\$65,538.00
WPO	Federal Bar	Office Space	7/31/2016	\$63,525.00
WPO	Continental III, Inc.	Restaurant	2/28/2011	\$65,689.00
WPO	Arch Wireless	Beeper System (WPO Garage)	10/31/2011	\$5,400.00
WPO	Thomas M. Bona, PC	Office Space	12/31/16	\$266,400.00
WPO	SKCG Group , Inc.	Office Space	1/31/2014	\$426,184.00
WPO	Community Mutual	Office Space	4/30/2015	\$153,021.00
WPO	Misys	Office Space	12/31/2016	\$646,800.00
WPO	Westchester Philharmonic	Office Space	12/31/2009	\$10,875.00
WPO	West. Co. Narcotics Initiative	Office Space (Permit for Temporary Use)	12/31/2011	\$45,780.00
WPO	West. Co. District Attorney	Office Space (Permit for Temporary Use)	12/31/2011	\$22,590.00
WPO	NY State Police	Office Space (Permit for Temporary Use)	12/31/2011	\$47,250.00
WPO	Empire State Development Corp.	Office Space (Permit forTemporary Use)	12/1/2008	\$5,361.00
WPO	NYS Retirement System	Office Space - part time	12/31/2011	\$6,800.00
501 7th Ave.	OASAS	Office Space	4/30/2010	\$1,495,875.00
SL/FDR	Lake St. Lawrence Yacht	Lease of Land	4/30/2008	\$2,225.00
SL/FDR	Massena Country Club	Lease of Land	11/30/2015	\$2,000.00
SL/FDR	Twin Brooks Golf Club	Lease of Land	N/A	\$220.00
SL/FDR	Town of Waddington	Agricultural Lease	60 days notice	<u>\$300.00</u>
		TOTAL ANNUAL REVENUES		\$5,319,351
Note: Annual rental amounts are based on the fixed rent excluding any abatements				

To date, of the 599 acres projected to be conveyed, 446 acres have been conveyed. The following chart sets out conveyances made during this reporting period.

<b>Current Owners name</b>	<b>NYPA Surplus Parcel No</b>	<b>Surplus Parcel Acres</b>	<b>Appraisal Value</b>	<b>Deed Filed in County Clerk</b>
Stephen C. LaRose, Scot A. LaRose, Wendie L. LaRose, Cory P. LaRose, and Julie M. LaRose	8011	0.14	\$ 400.00	1/4/2008
PAUL N. MCGRATH and YVONNE F. MCGRATH	8109	0.29	\$ 700.00	1/18/2008
William P. Tiernan and Marcia W. Tiernan	8242	0.12	\$ 50.00	1/18/2008
MARSHALL R. TIERNAN	8297	0.2	\$ 150.00	1/18/2008
MARSHALL R. TIERNAN	8298	0.16	\$ 125.00	1/18/2008
MARSHALL R. TIERNAN	8300	0.37	\$ 300.00	1/18/2008
ROBERT G. TRIPP and PHYLLIS J. TRIPP	8311	0.05	\$ 100.00	1/18/2008
Dorothy Thompson	8703	0.12	\$ 1,200.00	1/18/2008
JAMES TIERNAN	8231	0.12	\$ 30.00	1/28/2008
JAMES TIERNAN	8232	0.04	\$ 10.00	1/28/2008
JAMES TIERNAN	8233	0.09	\$ 25.00	1/28/2008
JAMES TIERNAN	8241	0.06	\$ 25.00	1/28/2008
MILFORD M. CURTIS and JEAN C. CURTIS	8304	0.22	\$ 200.00	1/28/2008
MILFORD M. CURTIS and JEAN C. CURTIS	8305	0.44	\$ 350.00	1/28/2008
JAMES TIERNAN	8675	0.33	\$ 120.00	1/28/2008
James Tiernan	8701	0.04	\$ 10.00	1/28/2008
Kerry L. Mitras	8260	0.06	\$ 100.00	2/6/2008
DIRK A. GALBRAITH and PATRICIA CARNAL GALBRAITH	8116	0.39	\$ 1,000.00	2/19/2008
GORDON R. DALEY and MARY B. DALEY	8147	0.06	\$ 600.00	2/19/2008
William Tiernan and Marcia Tiernan	8217	0.1	\$ 1,800.00	2/19/2008
Randy E. Rockhill	8285	0.04	\$ 50.00	2/19/2008
MARSHALL R. TIERNAN	8291	0.35	\$ 300.00	2/19/2008
MARSHALL R. TIERNAN	8292	0.63	\$ 500.00	2/19/2008
All States Asphalt, Inc. C/O Alan Hankowski	8372	0.24	\$ 4,300.00	2/19/2008
Shaun L. Prentice	8410	0.25	\$ 500.00	2/19/2008
Michael Mayette and Cynthia Mayette	8417	0.36	\$ 400.00	2/19/2008
GREAT LAKER DEVELOPMENT, LLC	8614	0.98	\$ 2,950.00	2/19/2008
ROBERT F. RAPIN	8628	0.24	\$ 2,400.00	2/19/2008
Mark Klosowski	8110	0.38	\$ 950.00	2/20/2008
DALE A. HARPER	8229	0.15	\$ 100.00	2/20/2008
John C. Molnar and Gerald C. Molnar and Melody Molnar	8336	0.05	\$ 600.00	2/20/2008
John C. Molnar and Gerald C. Molnar and Melody Molnar	8337	0.09	\$ 1,100.00	2/20/2008
HELEN E. PHILLIPS	8340	0.01	\$ 5.00	2/20/2008
LAWRENCE E. JONES and JUDITH T. JONES	8349	0.5	\$ 2,500.00	2/20/2008
Richard L. McAllister	8636	0.61	\$ 11,000.00	2/20/2008
WAYNE D. and JANET R. MOORE	8029	0.7	\$ 2,100.00	2/29/2008
DANE A. BRENNO	8071	0.57	\$ 1,300.00	2/29/2008
LAWRENCE P. LAMERE	8235	0.38	\$ 200.00	2/29/2008
Kenneth F. Graves	8236	0.09	\$ 50.00	2/29/2008
DOUGLAS MAYETTE and BEVERLY MAYETTE	8239	0.54	\$ 250.00	2/29/2008
Lori A. Blaha and Ana R. Martinez	8265	0.23	\$ 350.00	2/29/2008
EDWARD HAIG BAJAKIAN	8237	0.28	\$ 150.00	3/4/2008
Edward Bajakian	8238	0.09	\$ 50.00	3/4/2008

James B. and Judith M. Johnston	8276	0.24	\$	400.00	3/4/2008
JEFFREY D. SOVIE	8283	0.18	\$	300.00	3/4/2008
Clinton W. Green	8058	1.94	\$	4,900.00	3/14/2008
MELISSA J. SWEET	8230	0.04	\$	25.00	3/14/2008
Sharon L. O'Neil	8383	0.14	\$	100.00	3/14/2008
Gary W. Wahl and Lynne G. Wahl	8411	0.15	\$	300.00	3/14/2008
Gary W. Wahl and Lynne G. Wahl	8412	0.59	\$	1,200.00	3/14/2008
Robert Cruikshank and Melanie Cruikshank	8704	0.35	\$	4,200.00	3/14/2008
M. Schamroth & Sons	8034	0.46	\$	1,200.00	3/28/2008
MICHAEL J. STONER and JULIE L. STONER	8114	0.25	\$	600.00	3/28/2008
MARY JO FAIRBANKS	8575	0.19	\$	2,300.00	3/28/2008
CLINTON WILLARD GREEN	8052	2.13	\$	6,400.00	4/4/2008
CLINTON WILLARD GREEN, JR.	8057	0.86	\$	2,000.00	4/4/2008
CLINTON WILLARD GREEN, JR.	8060	0.05	\$	100.00	4/4/2008
THOMAS F. COAKLEY and NELLIE E. COAKLEY	8115	0.38	\$	950.00	4/11/2008
ROBERT M. and KATHRYN A.H. PERRY	8490	0.12	\$	1,800.00	4/11/2008
DAVID NADEAU, STEVEN NADEAU and MARY K. HALSTEAD	8256	0.42	\$	850.00	4/21/2008
JOSEPH Y. GARCIA	8257	0.18	\$	300.00	4/21/2008
JOSEPH Y. GARCIA	8258	0.11	\$	200.00	4/21/2008
RICHARD GARCIA and LINDA GARCIA	8263	0.2	\$	300.00	4/21/2008
TERRY R. CASWELL and SUE E. CASWELL	8367	0.01	\$	50.00	4/21/2008
TERRY R. CASWELL and SUE E. CASWELL	8368	0.02	\$	100.00	4/21/2008
BRIAN W. BAILEY and SHARON LEE BAILEY	8466	0.22	\$	3,300.00	4/21/2008
DAWN P. LAVIGNE	8497	0.17	\$	2,550.00	4/21/2008
ANNE HUTTEL, JOHN M. BARSTOW, AND PETER C. BARSTOW	8562	0.19	\$	2,850.00	4/21/2008
Robert Navan and Joy Navan	8705	0.33	\$	4,000.00	4/21/2008
EDGAR G. GRAVES	8234	0.14	\$	50.00	4/25/2008
RONALD W. BOGART and JANE R. BOGART	8371	0.07	\$	700.00	4/25/2008
DAVID J. STRADER	8028	0.35	\$	900.00	5/9/2008
GENNARO CONTE and DIANE CONTE	8479	0.13	\$	1,950.00	5/9/2008
FRIEDA SCHMENKEL	8481	0.12	\$	1,800.00	5/16/2008
Jacqueline M. Lipsky and Matthew J. Russell	8017	0.29	\$	850.00	5/30/2008
John Bartlett and Linda Bartlett	8092	10.89	\$	27,200.00	5/30/2008
ERVIN J. KENNEDY and SANDRA E. KENNEDY	8278	0.13	\$	200.00	5/30/2008
Acres Intervivos Trusts	8182	0.12	\$	1,800.00	6/13/2008
Acres Intervivos Trusts	8183	0.16	\$	2,700.00	6/13/2008
ALLEN J. BENN, JR. and KAREN M. BENN	8262	0.12	\$	200.00	6/13/2008
Elizabeth J. Bennett	8670	0.13	\$	1,300.00	7/8/2008
CORBIN ROCKHILL and DIANE ROCKHILL	8275	0.31	\$	500.00	7/14/2008
ALWEL REALTY CORP.	8414	0.2	\$	400.00	7/14/2008
BETHEL R. CARDINAL	8473	0.16	\$	2,400.00	7/23/2008
JANET C. MONIERE	8482	0.44	\$	8,800.00	7/23/2008
Christopher J. Todd and Kurt B. Hayes	8488	0.12	\$	1,800.00	7/23/2008
James M. Garcia and Vicki J. Garcia	8515	0.14	\$	2,100.00	7/23/2008
Clarence J. Collins	8706	0.22	\$	2,200.00	7/23/2008
VIRGINIA LEE WESCOTT	8065	1.19	\$	3,000.00	8/15/2008
Henry J. Hack and Sharon L. Hack	8273	0.37	\$	600.00	8/15/2008
MARY O'HORO LOOMIS and SCOTT R. LOOMIS	8309	0.04	\$	25.00	8/15/2008
SUHAIL S. DAYE and CRYSTAL DAYE	8476	0.32	\$	4,800.00	8/15/2008
ANN P. DAYE	8478	0.17	\$	2,550.00	8/15/2008

STEPHEN R. MATZAN and SHIRLEY A. MATZAN Thomas W. Howe, Leon W. Howe, III, Nancy J. Kreutzer, and Dorothy E. Suri	8083	2.67	\$	5,300.00	9/12/2008
Louise M Bartlett, Patti A. Bartlett, and Sheri Lynn Warner	8643	0.22	\$	500.00	9/12/2008
Louise M Bartlett, Patti A. Bartlett, and Sheri Lynn Warner	8032	0.23	\$	600.00	9/19/2008
Thomas A. Sharpe and Barbara J. Sharpe	8033	0.46	\$	1,200.00	9/19/2008
OAKLEY R. HOLLAND and IRENE HOLLAND	8472	0.15	\$	2,100.00	9/19/2008
TOMADO, INC	8271	0.07	\$	100.00	9/26/2008
ANN C. DANIELS	8067	0.99	\$	2,500.00	10/3/2008
Gerald McDonald	8118	1.89	\$	4,200.00	10/3/2008
SCHIEL S. WOOD and JODI FALARDEAU	8359	0.41	\$	4,100.00	10/3/2008
DAVID J. VALOIS	8035	0.35	\$	900.00	10/10/2008
CARL W. BURNHAM and MONIQUE M. BURNHAM	8043	2.38	\$	6,000.00	10/10/2008
Richard Guimond and Catherine Guimond	8280	0.24	\$	400.00	10/10/2008
DALE R. WELLS and GIZELLE L. WELLS	8491	0.13	\$	1,950.00	10/10/2008
ROBERT R. DIXON	8036	0.29	\$	700.00	10/24/2008
Robert O. McNeil	8088	0.3	\$	750.00	10/24/2008
RICHARD C. EVANS and MARY EVANS	8098	2.37	\$	5,900.00	10/24/2008
DAVID GRAVLIN AND EMILY GRAVLIN	8492	0.13	\$	1,950.00	10/24/2008
MICHAEL J LEGACY	8692	1.68	\$	3,900.00	11/14/2008
Diane L. Dixon	8053	1.29	\$	3,200.00	12/1/2008
<b>TOTALS</b>	8087	0.28	\$	700.00	12/1/2008
		<b>53.94</b>	<b>\$</b>	<b>196,450.00</b>	

The following chart sets forth conveyances made since the implementation of this program.

<b>Current Owners name</b>	<b>NYPA Surplus Parcel No</b>	<b>Surplus Parcel Acres</b>	<b>Appraisal Value</b>	<b>Deed Filed in County Clerk</b>
Scott Love and Jacqueline Cole	8075	0.59	\$ 1,500.00	7/14/2006
Travis J. Collins	8698	0.41	\$ 1,000.00	8/1/2006
John F. and Tamara M. McGrath	8069	0.74	\$ 1,850.00	8/11/2006
Richard J. St. Germain and Lisa M. St. Germain	8074	0.58	\$ 1,450.00	8/23/2006
Robert J. Jordan and Shannon K. Jordan	8654	0.32	\$ 800.00	8/30/2006
MARTIN J. RYAN	8006	0.19	\$ 600.00	9/13/2006
MARTIN J. RYAN	8007	0.28	\$ 850.00	9/13/2006
KATHLEEN A. MADLIN	8010	0.27	\$ 800.00	9/13/2006
Town of Massena	8615	16.908		9/14/2006
THOMAS A. SMITH and LINDA M. MCQUINN	8055	0.67	\$ 1,500.00	9/15/2006
Town of Massena	8661	22.741		9/15/2006
Town of Massena	8616	6.029		9/15/2006
TOWN OF MASSENA	8603	4.231		9/15/2006
JEFFREY H. HOUMIEL and SUZANNE M. HOUMIEL	8013	0.2	\$ 600.00	9/21/2006
Charles W. Elliott, Jr. and Debra A. Elliott and Corey W. Elliott	8056	0.71	\$ 1,600.00	9/21/2006
GINETTE BOURQUE	8086	0.7	\$ 1,800.00	9/21/2006
DAVID R. FULLER and MELISSA FULLER	8008	0.34	\$ 1,000.00	9/27/2006
ROBERT F. RAPIN and ELINORE L. RAPIN	8009	0.22	\$ 650.00	9/27/2006
MALCOLM J. CASSELMAN	8026	0.22	\$ 450.00	9/27/2006
ELIZABETH J. BENNETT	8038	0.25	\$ 600.00	10/12/2006
Clarence Joseph Collins and Diane Marie Collins	8655	0.82	\$ 2,100.00	10/12/2006
ROBERT E. CRUIKSHANK and MELANIE E. CRUIKSHANK as	8012	0.22	\$ 650.00	10/16/2006

Trustees of The Melanie E. Cruikshank Ten (10) Year Qualified Personal Residence Trust dated April 5, 2002

G. CARL ALVERSON and HELEN L. ALVERSON	8096	0.51	\$ 1,500.00	10/16/2006
ALLAN C. SHERMAN and HEIDI L. SHERMAN	8646	0.43	\$ 1,000.00	10/16/2006
EBEN W. GRAVELINE and JANE E. GRAVELINE	8015	0.08	\$ 200.00	10/20/2006
CAMP LAURENT INC.	8042	0.79	\$ 2,400.00	10/20/2006
SCOTT M. AKINS and SUSAN H AKINS	8642	0.74	\$ 1,700.00	10/20/2006
Town of Lisbon	8629	4.61		10/23/2006
Town of Lisbon	8097	1.37		10/23/2006
DOROTHY THOMPSON	8037	0.75	\$ 2,300.00	11/1/2006
RONALD C. KURZ and SARA KURZ	8019	0.28	\$ 850.00	11/9/2006
JAYAKUMAR PAGADALA	8049	0.21	\$ 300.00	11/9/2006
GUY MILLS and CHRISTINE ANN MILLS	8050	0.89	\$ 2,400.00	11/9/2006
LINDA S. SHERMAN	8647	0.38	\$ 900.00	11/9/2006
LALONE'S POINT, LLC	8025	6.91	\$ 20,700.00	11/17/2006
WILLIAM A. ANTOINE and KATHRYN F. ANTOINE	8079	2.22	\$ 5,100.00	11/17/2006
Aron Eisenkeit	8099	1.87	\$ 4,300.00	11/17/2006
LAWRENCE D. LANGLEY and SUSAN L. LANGLEY	8016	0.28	\$ 850.00	11/22/2006
ROBERT NAVAN and JOY NAVAN	8020	0.2	\$ 600.00	12/4/2006
STANLEY E. FARNSWORTH and VIRGINIA M. FARNSWORTH	8046	0.76	\$ 2,100.00	12/4/2006
ROGER D. WARREN and CHERYL A. WARREN	8048	1.17	\$ 2,900.00	12/4/2006
C. JOSEPH COLLINS	8076	1.57	\$ 3,600.00	12/4/2006
EDWARD J. DILLINGHAM	8002	0.21	\$ 500.00	12/13/2006
HAROLD W. FISCHBECK and DONNA D. FISCHBECK	8023	0.2	\$ 500.00	12/13/2006
Scheil Wood, Gerald J. McDonald, Wade C. Wood, and Gregory A. Wood	8039	0.3	\$ 750.00	12/13/2006
WALTER B HOVENDON and NANCY C HOVENDON	8651	0.43	\$ 1,000.00	12/13/2006
Aloysius J. Schatz and Carmen B. Feliciano-Schatz	8047	1.15	\$ 2,900.00	12/21/2006
GUY F. MILLS and CHRISTINE A. MILLS and WILLIAM F. RICHARDS	8051	0.95	\$ 2,400.00	12/21/2006
BARBARA G. BLAIR MCBATH	8054	1.31	\$ 3,300.00	12/21/2006
Gary R. Reif and Judith M. Reif	8648	0.93	\$ 2,100.00	12/21/2006
Village of Waddington	8192	0.932		1/5/2007
Village of Waddington	8219	0.578		1/5/2007
Village of Waddington	8223	0.066		1/5/2007
Village of Waddington	8224	0.727		1/5/2007
Village of Waddington	8402	1.187		1/5/2007
Village of Waddington	8630	0.241		1/5/2007
JERRY D HOBBS and CAROLYN E HOBBS	8653	0.15	\$ 350.00	1/5/2007
Village of Waddington	8674	1.259		1/5/2007
DENNIS R PERKINS and JANE PERKINS	8652	0.23	\$ 550.00	1/17/2007
WILLIAM M SHERMAN and LINDA S. SHERMAN	8645	0.45	\$ 1,000.00	1/24/2007
RHONDA L. ROETHEL	8005	0.11	\$ 350.00	2/7/2007
DR LAWRENCE S. MINTZER	8022	0.23	\$ 700.00	2/7/2007
Dr. William M. Sherman and Linda S. Sherman, his wife and Allan C. Sherman and Heidi L. Sherman, his wife	8644	0.59	\$ 1,350.00	3/1/2007
TOWN OF WADDINGTON	8133	11.61		3/8/2007
TOWN OF WADDINGTON	8135	9.376		3/8/2007
TOWN OF WADDINGTON	8136	5.135		3/8/2007
TOWN OF WADDINGTON	8137	1.929		3/8/2007
TOWN OF WADDINGTON	8138	0.53		3/8/2007
TOWN OF WADDINGTON	8139	0.386		3/8/2007
TOWN OF WADDINGTON	8140	0.623		3/8/2007

TOWN OF WADDINGTON	8176	0.749		3/8/2007
TOWN OF WADDINGTON	8406	0.669		3/8/2007
TOWN OF WADDINGTON	8697	1.67		3/8/2007
TOWN OF WADDINGTON	8134	6.914		3/8/2007
GEORGE E. DILLINGHAM	8001	0.09	\$ 200.00	3/20/2007
GARY H. MADLIN and CHERYL D. MADLIN	8003	0.49	\$ 1,500.00	3/20/2007
GARY H. MADLIN and CHERYL D. MADLIN	8004	0.3	\$ 900.00	3/20/2007
SALVATORE M. PULEO and CHRISTINE M. PULEO	8089	0.92	\$ 1,700.00	3/30/2007
CHRISTINE M. PULEO	8091	0.63	\$ 1,100.00	3/30/2007
Mark Tyo	8690	0.01	\$ 30.00	4/18/2007
MARK P. TYO	8611	0.09	\$ 300.00	4/20/2007
Renee Y. Backus and Daniel J. Bruyere	8018	0.24	\$ 700.00	4/23/2007
William D. Lohmann	8641	0.41	\$ 950.00	4/23/2007
TOWN OF WADDINGTON	8170	6.699		5/3/2007
TOWN OF WADDINGTON	8420	13.66		5/3/2007
TOWN OF WADDINGTON	8658	6.455		5/3/2007
TOWN OF WADDINGTON	8659	33.09		5/3/2007
TOWN OF WADDINGTON	8660	34.762		5/3/2007
BRUCE G. COOK and SHARON B. COOK	8106	2.13	\$ 5,300.00	5/22/2007
TOWN OF LOUISVILLE	8579	5.65		5/22/2007
TOWN OF LOUISVILLE	8584	2.835		5/22/2007
TOWN OF LOUISVILLE	8585	0.455		5/22/2007
TOWN OF LOUISVILLE	8586	0.063		5/22/2007
TOWN OF LOUISVILLE	8667	4.788		5/22/2007
TOWN OF LOUISVILLE	8668	25.65		5/22/2007
LEE H. HARPER and LAURIE J. HARPER	8609	0.63	\$ 3,150.00	6/7/2007
Scott M. Walker and Jennifer L. Walker	8689	0.34	\$ 800.00	6/7/2007
LOIS DANN	8061	0.25	\$ 600.00	7/10/2007
BEVERLY H. DEAN-BARNEY	8080	3.01	\$ 6,000.00	7/10/2007
Beverly H. Dean-Barney	8693	4.23	\$ 8,500.00	7/10/2007
CHICOPEE BAY CAMPGROUNDS, LLC	8027	1.57	\$ 4,700.00	8/6/2007
Timothy and Kim Richards	8030	0.38	\$ 950.00	8/6/2007
Timothy A. and Kim M. Richards	8031	0.52	\$ 1,300.00	8/6/2007
CODY RICHARDSON and MARGARET RICHARDSON	8063	0.12	\$ 250.00	8/6/2007
JOHN R. MCMAHON and LYNDIA J. MCMAHON	8040	1.03	\$ 3,100.00	8/30/2007
JOHN P. SHERMAN and NANCY L. SHERMAN	8072	0.75	\$ 1,900.00	8/30/2007
TOWN OF LISBON	8093	23.12		8/30/2007
WILLIAM BROWN and JANET E. BROWN	8612	0.01	\$ 30.00	10/11/2007
William P. Tiernan and Marcia W. Tiernan	8244	0.14	\$ 100.00	10/22/2007
DEWEY C. WHITTON and SYLVIA D. WHITTON	8315	0.01	\$ 25.00	11/2/2007
DEWEY C. WHITTON and SYLVIA D. WHITTON	8316	0.13	\$ 200.00	11/2/2007
JOSEPH MOORE and JOAN MOORE	8329	0.07	\$ 50.00	11/2/2007
JOSEPH MOORE and JOAN MOORE	8330	0.03	\$ 20.00	11/2/2007
BERNARD WIEHL and ANDREA ALLEN WIEHL	8326	0.03	\$ 10.00	11/9/2007
Marshall Tiernan	8245	0.06	\$ 50.00	11/21/2007
Marshall Tiernan	8246	0.86	\$ 250.00	11/21/2007
MARSHALL R. TIERNAN	8295	0.02	\$ 25.00	11/21/2007
B. CAROL LAPLANTE and NANCY J. THOMPSON	8120	0.52	\$ 1,300.00	12/10/2007
WILLIAM TIERNAN and MARCIA TIERNAN	8312	0.29	\$ 450.00	12/13/2007
Stephen C. LaRose, Scot A. LaRose, Wendie L. LaRose, Cory P. LaRose, and Julie M. LaRose	8011	0.14	\$ 400.00	1/4/2008

PAUL N. MCGRATH and YVONNE F. MCGRATH	8109	0.29	\$	700.00	1/18/2008
William P. Tiernan and Marcia W. Tiernan	8242	0.12	\$	50.00	1/18/2008
MARSHALL R. TIERNAN	8297	0.2	\$	150.00	1/18/2008
MARSHALL R. TIERNAN	8298	0.16	\$	125.00	1/18/2008
MARSHALL R. TIERNAN	8300	0.37	\$	300.00	1/18/2008
ROBERT G. TRIPP and PHYLLIS J. TRIPP	8311	0.05	\$	100.00	1/18/2008
Dorothy Thompson	8703	0.12	\$	1,200.00	1/18/2008
JAMES TIERNAN	8231	0.12	\$	30.00	1/28/2008
JAMES TIERNAN	8232	0.04	\$	10.00	1/28/2008
JAMES TIERNAN	8233	0.09	\$	25.00	1/28/2008
JAMES TIERNAN	8241	0.06	\$	25.00	1/28/2008
MILFORD M. CURTIS and JEAN C. CURTIS	8304	0.22	\$	200.00	1/28/2008
MILFORD M. CURTIS and JEAN C. CURTIS	8305	0.44	\$	350.00	1/28/2008
JAMES TIERNAN	8675	0.33	\$	120.00	1/28/2008
James Tiernan	8701	0.04	\$	10.00	1/28/2008
Kerry L. Mitras	8260	0.06	\$	100.00	2/6/2008
DIRK A. GALBRAITH and PATRICIA CARNAL GALBRAITH	8116	0.39	\$	1,000.00	2/19/2008
GORDON R. DALEY and MARY B. DALEY	8147	0.06	\$	600.00	2/19/2008
William Tiernan and Marcia Tiernan	8217	0.1	\$	1,800.00	2/19/2008
Randy E. Rockhill	8285	0.04	\$	50.00	2/19/2008
MARSHALL R. TIERNAN	8291	0.35	\$	300.00	2/19/2008
MARSHALL R. TIERNAN	8292	0.63	\$	500.00	2/19/2008
All States Asphalt, Inc. C/O Alan Hankowski	8372	0.24	\$	4,300.00	2/19/2008
Shaun L. Prentice	8410	0.25	\$	500.00	2/19/2008
Michael Mayette and Cynthia Mayette	8417	0.36	\$	400.00	2/19/2008
GREAT LAKER DEVELOPMENT, LLC	8614	0.98	\$	2,950.00	2/19/2008
ROBERT F. RAPIN	8628	0.24	\$	2,400.00	2/19/2008
Mark Klosowski	8110	0.38	\$	950.00	2/20/2008
DALE A. HARPER	8229	0.15	\$	100.00	2/20/2008
John C. Molnar and Gerald C. Molnar and Melody Molnar	8336	0.05	\$	600.00	2/20/2008
John C. Molnar and Gerald C. Molnar and Melody Molnar	8337	0.09	\$	1,100.00	2/20/2008
HELEN E. PHILLIPS	8340	0.01	\$	5.00	2/20/2008
LAWRENCE E. JONES and JUDITH T. JONES	8349	0.5	\$	2,500.00	2/20/2008
Richard L. McAllister	8636	0.61	\$	11,000.00	2/20/2008
WAYNE D. and JANET R. MOORE	8029	0.7	\$	2,100.00	2/29/2008
DANE A. BRENNO	8071	0.57	\$	1,300.00	2/29/2008
LAWRENCE P. LAMERE	8235	0.38	\$	200.00	2/29/2008
Kenneth F. Graves	8236	0.09	\$	50.00	2/29/2008
DOUGLAS MAYETTE and BEVERLY MAYETTE	8239	0.54	\$	250.00	2/29/2008
Lori A. Blaha and Ana R. Martinez	8265	0.23	\$	350.00	2/29/2008
EDWARD HAIG BAJAKIAN	8237	0.28	\$	150.00	3/4/2008
Edward Bajakian	8238	0.09	\$	50.00	3/4/2008
James B. and Judith M. Johnston	8276	0.24	\$	400.00	3/4/2008
JEFFREY D. SOVIE	8283	0.18	\$	300.00	3/4/2008
Clinton W. Green	8058	1.94	\$	4,900.00	3/14/2008
MELISSA J. SWEET	8230	0.04	\$	25.00	3/14/2008
Sharon L. O'Neil	8383	0.14	\$	100.00	3/14/2008
Gary W. Wahl and Lynne G. Wahl	8411	0.15	\$	300.00	3/14/2008
Gary W. Wahl and Lynne G. Wahl	8412	0.59	\$	1,200.00	3/14/2008
Robert Cruikshank and Melanie Cruikshank	8704	0.35	\$	4,200.00	3/14/2008

M. Schamroth & Sons	8034	0.46	\$ 1,200.00	3/28/2008
MICHAEL J. STONER and JULIE L. STONER	8114	0.25	\$ 600.00	3/28/2008
MARY JO FAIRBANKS	8575	0.19	\$ 2,300.00	3/28/2008
CLINTON WILLARD GREEN	8052	2.13	\$ 6,400.00	4/4/2008
CLINTON WILLARD GREEN, JR.	8057	0.86	\$ 2,000.00	4/4/2008
CLINTON WILLARD GREEN, JR.	8060	0.05	\$ 100.00	4/4/2008
THOMAS F. COAKLEY and NELLIE E. COAKLEY	8115	0.38	\$ 950.00	4/11/2008
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Acres Intervivos Trusts	8183	0.16	\$ 2,700.00	6/13/2008
ALLEN J. BENN, JR. and KAREN M. BENN	8262	0.12	\$ 200.00	6/13/2008
Elizabeth J. Bennett	8670	0.13	\$ 1,300.00	7/8/2008
CORBIN ROCKHILL and DIANE ROCKHILL	8275	0.31	\$ 500.00	7/14/2008
ALWEL REALTY CORP.	8414	0.2	\$ 400.00	7/14/2008
BETHEL R. CARDINAL	8473	0.16	\$ 2,400.00	7/23/2008
JANET C. MONIERE	8482	0.44	\$ 8,800.00	7/23/2008
Christopher J. Todd and Kurt B. Hayes	8488	0.12	\$ 1,800.00	7/23/2008
James M. Garcia and Vicki J. Garcia	8515	0.14	\$ 2,100.00	7/23/2008
Clarence J. Collins	8706	0.22	\$ 2,200.00	7/23/2008
VIRGINIA LEE WESCOTT	8065	1.19	\$ 3,000.00	8/15/2008
Henry J. Hack and Sharon L. Hack	8273	0.37	\$ 600.00	8/15/2008
MARY O'HORO LOOMIS and SCOTT R. LOOMIS	8309	0.04	\$ 25.00	8/15/2008
SUHAIL S. DAYE and CRYSTAL DAYE	8476	0.32	\$ 4,800.00	8/15/2008
ANN P. DAYE	8478	0.17	\$ 2,550.00	8/15/2008
STEPHEN R. MATZAN and SHIRLEY A. MATZAN	8083	2.67	\$ 5,300.00	9/12/2008
Thomas W. Howe, Leon W. Howe, III, Nancy J. Kreutzer, and Dorothy E. Suri	8643	0.22	\$ 500.00	9/12/2008
Louise M Bartlett, Patti A. Bartlett, and Sheri Lynn Warner	8032	0.23	\$ 600.00	9/19/2008
Louise M Bartlett, Patti A. Bartlett, and Sheri Lynn Warner	8033	0.46	\$ 1,200.00	9/19/2008
Thomas A. Sharpe and Barbara J. Sharpe	8472	0.15	\$ 2,100.00	9/19/2008
OAKLEY R. HOLLAND and IRENE HOLLAND	8271	0.07	\$ 100.00	9/26/2008
TOMADO, INC	8067	0.99	\$ 2,500.00	10/3/2008
ANN C. DANIELS	8118	1.89	\$ 4,200.00	10/3/2008

Gerald McDonald	8359	0.41	\$ 4,100.00	10/3/2008
SCHIEL S. WOOD and JODI FALARDEAU	8035	0.35	\$ 900.00	10/10/2008
DAVID J. VALOIS	8043	2.38	\$ 6,000.00	10/10/2008
CARL W. BURNHAM and MONIQUE M. BURNHAM	8280	0.24	\$ 400.00	10/10/2008
Richard Guimond and Catherine Guimond	8491	0.13	\$ 1,950.00	10/10/2008
DALE R. WELLS and GIZELLE L. WELLS	8036	0.29	\$ 700.00	10/24/2008
ROBERT R. DIXON	8088	0.3	\$ 750.00	10/24/2008
Robert O. McNeil	8098	2.37	\$ 5,900.00	10/24/2008
RICHARD C. EVANS and MARY EVANS	8492	0.13	\$ 1,950.00	10/24/2008
DAVID GRAVLIN AND EMILY GRAVLIN	8692	1.68	\$ 3,900.00	11/14/2008
MICHAEL J LEGACY	8053	1.29	\$ 3,200.00	12/1/2008
Diane L. Dixon	8087	0.28	\$ 700.00	12/1/2008
<b>TOTALS</b>			<b>\$334,140</b>	

3. POWER AUTHORITY OF THE STATE OF NEW YORK  
PROCUREMENT CONTRACTS  
JANUARY THROUGH DECEMBER, 2008

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y E	M O A	R A	O A	P A	M B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2008	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2007-09	ENJET, INC 5373 West Alabama- Suite 502 Houston, TX 77056	Natural Gas Purchase	E	B			F		24	\$87,388,927	\$87,388,927	\$65,004,386	\$0	3/21/2007	O	*	
FD-01-23	SEMPRA 58 Commerce Road Stamford, CT 06902	Natural Gas Purchase	E	B			F		24	\$166,025,398	\$166,025,398	\$9,759,437	\$0	12/01/01	O	*	
FD-01-28	nationalgrid One Metro Center Brooklyn, NY 11201 100 E Old County Rd Hicksville, NY 11801	Transport & Balancing Service	E	B			F			\$22,482,241	\$22,482,241	\$5,943,070	\$0	07/13/01	O	02/28/09	
FD-2002-11	PSEG ENERGY RESOURCES 80 Park Plaza Fl T19 Newark, NJ 07102	Natural Gas Purchase	E	B			F		24	\$11,017,721	\$11,017,721	\$0	\$0	11/01/02	O	*	
FD-2003-09	J. ARON 85 Broad Street New York, NY 10004	Natural Gas Purchase	E	B			F		24	\$83,241,402	\$83,241,402	\$6,401,899	\$0	04/22/03	O	*	
FD-2003-10	BP ENERGY COMPANY 501 WestLake Park Houston, TX 77253	Natural Gas Purchase	E	B			F		24	\$150,081,504	\$150,081,504	\$20,460,552	\$0	10/01/04	O	*	
FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET STREET BALTIMORE, MD 21202	Natural Gas Purchase	E	B			F		24	\$55,860,651	\$55,860,651	\$0	\$0	06/09/03	O	*	
FD-2003-15	VIRGINIA POWER ENERGY MARKETING P. O. Box 25773 Richmond, VA 23360	Natural Gas Purchase	E	B			F		24	\$417,876,836	\$417,876,836	\$96,010,754	\$0	07/11/03	O	*	
FD-2004-08	SHELL ENERGY NA (formerly) CORAL ENERGY 909 Fannin Plaza Houston, TX 77010	Natural Gas Purchase	E	B			F		24	\$36,079,067	\$36,079,067	\$15,808,115	\$0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP Two Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B			F		24	\$179,461,649	\$179,461,649	\$1,536,245	\$0	06/01/04	O	*	
FD-2004-14	ONEOK ENERGY SERVICES CO. 100 West Fifth Street Tulsa, OK 74103	Natural Gas Purchase	E	B			F		24	\$67,750,473	\$67,750,473	\$39,330,350	\$0	11/01/04	O	*	
FD-2005-02	BOSS ENERGY LTD 20445 State Hwy 249 Houston, TX 77070	Natural Gas Purchase	E	B			F		24	\$69,883,370	\$69,883,370	\$26,130,042	\$0	01/25/05	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK  
 PROCUREMENT CONTRACTS  
 JANUARY THROUGH DECEMBER, 2008

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y E	M O A	R A	O A	P A	M B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2008	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2005-12	NJR ENERGY SERVICES CO. 1415 Wyckoff Road Wall, NJ 07719	Natural Gas Purchase	E	B		F			24	\$83,288,543	\$83,288,543	\$44,501,004	\$0	09/01/05	O	*	
FD-2006-03	UBS AG / UBS ENERGY LLC 677 Washington Blvd Stamford, CT 06901	Natural Gas Purchase	E	B		F			24	\$108,135,393	\$108,135,393	\$65,343,497	\$0	07/28/06	O	*	
FD-2006-05	PETROCOM VENTURES LTD 1616 S Voss Suite 945 Houston, TX 77057	Natural Gas Purchase	E	B		F			24	\$44,715,916	\$44,715,916	\$12,565,591	\$0	07/21/06	O	*	
FD-2006-07	TEXAS GAS TRANSMISSION 3800 Frederica Street Owensboro, KY 42304	Firm Gas Transport/Demand Agreement	S	S		F				\$9,742,775	\$9,742,775	\$3,388,574	\$0	07/01/06	O	10/31/17	
FD-2006-08	DOMINION TRANSMISSION 120 Tredegar Street Richmond, VA 23219	Firm Gas Transport/Demand Agreement	S	S		F				\$6,572,651	\$6,572,651	\$2,685,633	\$0	07/01/06	O	10/31/17	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL. 5316) Houston, TX 77216	Firm Gas Transport/Demand Agreement	S	S		F				\$3,707,486	\$3,707,486	\$1,481,229	\$0	08/04/06	O	03/31/17	
FD-2006-12	TENASKA MARKETING VENTURES 11718 Nicholas Street Omaha, NE 68154	Natural Gas Purchase	E	B		F			24	\$7,990,242	\$7,990,242	\$2,612,956	\$0	10/01/06	O	*	
FD-2007-08	SPARK ENERGY GAS, LP (Formerly Utility Resources Solutions) 2603 Augusta Drive Suite 1400 Houston, TX 77057	Natural Gas Purchase	E	B		F			24	\$65,969,131	\$65,969,131	\$20,658,634	\$0	02/14/07	O	*	
FD-2007-10	ASTORIA GENERATING COMPANY, LP 18-01 20th Avenue Astoria, New York 11105	Oil Delivery Labor Fees	S	S		F				\$30,522	\$30,522	\$4,160	\$0	7/17/2006	O	*	
FD-2008-01	eCORP ENERGY MARKETING TEN THOUSAND MEMORIAL Houston, TX 77024-3410	Natural Gas Purchase	E	B		F			24	\$72,450	\$72,450	\$72,450	\$0	02/01/08	O	*	
FD-2008-02	CIMA-ENERGY LTD. 1221 McKinney Houston, Tx 77010	Natural Gas Purchase	E	B		F			24	\$9,887,484	\$9,887,484	\$9,887,484	\$0	03/01/08	O	*	
FD-2008-03	CONOCO PHILLIPS COMPANY 600 North Dairy Ashford Houston, TX 77079	OIL PURCHASE	E	C		F			23	\$4,436,203	\$4,436,203	\$4,436,203	\$0	02/15/08	C		02/17/08

3. POWER AUTHORITY OF THE STATE OF NEW YORK  
 PROCUREMENT CONTRACTS  
 JANUARY THROUGH DECEMBER, 2008

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y E	M O A	R A	O A	P A	M B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2008	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-04	GEORGE E WARREN CO 3001 Ocean Drive Vero Beach, FL 32963	OIL PURCHASE	E	C			F		23	\$5,604,047	\$5,604,047	\$5,604,047	\$0	02/14/08	C		02/22/08
FD-2008-05	SEQUENT ENERGY MGT 1200 Smith Street Houston, TX 77010	Natural Gas Purchase	E	B			F		24	\$20,701,851	\$20,701,851	\$20,701,851	\$0	03/01/08	O	*	
FS-90-33	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt (SETAUKET)	E	S			F			\$10,354,197	\$10,354,197	\$457,710	\$0	04/01/94	O		09/30/13
FS-90-34	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt. (HOLTSVILLE)	E	S			F			\$3,413,994	\$3,413,994	\$112,044	\$0	10/01/93	O		09/30/13
FS-94-17	MERRILL LYNCH (Formerly ENTERGY-KOCH TRADING (FORMERLY KOCH)) 20 E Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B			F		24	\$249,408,840	\$249,408,840	\$28,529,008	\$0	07/01/94	O	*	
FS-97-22	COLONIAL ENERGY 2 Riverway Suite 2000 Houston, TX 77056	Natural Gas Purchase	E	B			F		24	\$351,096,596	\$351,096,596	\$104,550,631	\$0	05/01/97	O	*	
FS-97-27	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	S			F			71,262,989	\$71,262,989	5,002,535	\$0	06/01/97	C		07/31/08 07/31/08
FD-2008-09	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	S			F		24	\$3,508,422	\$3,508,422	\$3,508,422	\$0	08/01/08	O		01/31/10
FS-97-26	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	B			F			\$66,364,706	\$66,364,706	4,267,560	\$0	06/01/97	C		07/31/08
FD-2008-06	MACQUARIE COOK ENERGY 10100 Santa Monica Blvd los Angeles, CA 90067	Natural Gas Purchase	E	B			F		24	\$716,963	\$716,963	\$716,963	\$0	07/01/08	O	*	

3. POWER AUTHORITY OF THE STATE OF NEW YORK  
 PROCUREMENT CONTRACTS  
 JANUARY THROUGH DECEMBER, 2008

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y E	M O A	R A	O A	P A	M B E	B I S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2008	CONTRACT BALANCE	DATE OF CONTRACT	O / C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-12	eSERVICES, LLC 4461 Cox Road, Suite 113, Glenn Allen, Virginia 23060	Natural Gas Purchase	E	B		F			24	\$30,500	\$30,500	\$30,500	\$0	12/01/08	O	*	
FD-2008-08	SUNOCO, Inc (R&M) 1735 Market Street, Suite LL Philadelphia, PA 19103-7583	OIL PURCHASE	E	B		F			23	\$6,244,295	\$6,244,295	\$6,244,295	\$0	09/18/08	C	10/10/08	10/10/08
FD-2008-07	GEORGE E WARREN CO 3001 Ocean Drive Vero Beach, FL 32963	OIL PURCHASE	E	B		F			23	\$2,501,774	\$2,501,774	\$2,501,774	\$0	09/17/08	C	09/22/08	09/22/08
<b>FUELS TOTALS</b>										<b>\$2,482,907,208</b>	<b>\$2,482,907,208</b>	<b>\$636,249,604</b>					

NOTE:

\* Contract continues until terminated by NYPA or Counterparty upon specified notice

(1) Natural gas purchase transactions are effected, as needed, based on current prices and requirements, using the previously agreed upon general terms and conditions.

POWER AUTHORITY OF THE STATE OF NEW YORK  
 REPORT OF PROCUREMENT CONTRACTS AS OF 12/31/08  
 REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879  
 CORPORATE FINANCE ADDENDUM

CORPORATE FINANCE: WPO

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M R O A	R O A	W I A	M B D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 12/31/2008	DATE OF CONTRACT	PROJ \ COMPLETE DATE	DATE CONTRACT COMPLETE
Bank of New York 101 Barclay Street New York, NY 10286	Auction Agent Series 3 & 4	S	C	9	N		203,092	203,092	-	8/1/2000	C	9/25/2008
Bank of New York 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Subordinate Debt	S	C	9	N		71,450	71,450	-	8/1/2000	C	9/25/2008
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N		270,067	270,067	88,274	2/24/1998	O	*
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- ARTN	S	C	9	N		126,810	126,810	21,147	9/2/2003	O	3/1/2020
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N		16,694	16,694	16,694	10/2/2006	O	*
Bank of Nova Scotia One Liberty Plaza, 26th Fl. New York, NY 10006	Revolving Line of Credit for ARTN	S	C	9	N		1,300,901	279,094	191,094	9/4/2007	O	9/1/2015
Barclays Capital (assigned from Lehman Bros.) ** 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-1	S	C	9	N		604,177	604,177	56,567	7/14/1994	O	*
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	C	9	N		8,000	8,000	8,000	6/26/2008	O	*
Citigroup 390 Greenwich Street New York, NY 10013	Re-marketing Agent CP-2	S	C	9	N		366,670	366,670	25,596	12/4/1997	O	*
Citigroup 390 Greenwich Street New York, NY 10013	Broker/dealer Auction Rate Securities Series 3	S	C	9	N		804,022	804,022	66,993	8/1/2000	C	9/24/2008
Fiduciary Communications / Source Media One Whitehall, 9th Floor New York, NY 10004	Bond Calls Printed in Wall St. Journal and Bond Buyer	S	C	9	N		252,135	252,135	-	11/24/2003	O	*
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing Agent CP-2 and 3	S	C	9	N		770,592	770,592	75,899	12/4/1997	O	*
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing EMCP	S	C	9	N		276,230	276,230	73,823	3/4/2003	O	*
Goldman, Sachs & Co. ** 85 Broad Street New York, NY 10004-2456	ART Notes Remarketing	S	C	9	N		1,530,135	1,530,135	111,330	5/15/1985	O	3/1/2020
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N		97,286	97,286	1,278	6/28/2001	O	*
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N		498,377	498,377	29,244	12/4/1997	O	*

POWER AUTHORITY OF THE STATE OF NEW YORK  
 REPORT OF PROCUREMENT CONTRACTS AS OF 12/31/08  
 REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879  
 CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y E	M R A	R O A	W I A	M B D	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 12/31/2008	DATE OF CONTRACT	O F C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N		413,471	413,471	28,223	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2004	S	C	9	N		5,634,948	5,634,948	28,115	1/21/2004	C		2/1/2008
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2008	S	C	9	N		4,867,222	1,569,306	1,569,306	1/7/2008	O	1/31/2011	
King & Spalding 1185 Avenue of the Americas New York, NY 10036	Attorney - Legal Services 2004 RCA	P	C	9	N		26,868	26,868	-	1/20/2004	C		1/26/2008
King & Spalding 1185 Avenue of the Americas New York, NY 10036	Attorney - Legal Services 2008 RCA	P	C	9	N		20,527	20,527	20,527	1/7/2008	C		6/23/2008
Merrill Lynch 4 World Financial Center New York, NY 10080	Broker/dealer Auction Rate Securities Series 4	S	C	9	N		803,988	803,988	66,993	8/1/2000	C		9/25/2008
RBC Capital Markets ** 1211 Avenue of the Americas New York, NY 10036	Re-marketing Agent CP-1	S	C	9	N		51,844	51,844	11,120	7/14/1994	O	*	
UBS Financial Services 1285 Avenue of the Americas New York, NY 10019	Re-marketing Agent CP-2	S	C	9	N		558,207	558,207	40,337	12/4/1997	C		7/19/2008
US Bank 60 Livingston Avenue St. Paul, MN 55107	Bond Trustee Fee	S	C	9	N		276,161	276,161	17,882	1/1/1999	O	*	
	Total Financial Service Agreements						19,849,875	15,530,152	2,548,443				
	Total Number of Agreements						25						

NOTES:

\* Contract continues until terminated by NYPA or Counterparty upon specified notice

\*\* Expense History only available from 1997

### **3. Review and Recommendation of Guidelines and Procedures**

Ms. Tursi said that the changes to various guidelines and procedures would be presented to the Trustees for their approval at the Annual Meeting in March. She said that the guidelines and procedures were being changed to update definitions, to reflect organizational changes that affected roles and responsibilities and to better comply with applicable laws.

#### **Procurement, Acquisition and Disposal Guidelines**

- Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ("PAAA"), the Authority's Governance Committee reviews the Guidelines for Procurement Contracts, the Guidelines and Procedures for Disposal of Personal Property, the Guidelines and Procedures for Disposal of Real Property and the Guidelines and Procedures for Acquisition of Real Property annually and approves any changes to such Guidelines. In addition, annual reports of Procurement Contracts with a value of \$5,000 or greater, Disposal of Personal Property with a value of \$5,000 or greater and Disposal of Real Property with a value of \$15,000 or greater must be reviewed by the Authority's Trustees.
- The Authority Budget Office and the Office of the State Comptroller have jointly developed an online electronic data entry, collection and reporting system, known as the Public Authorities Reporting Information System ("PARIS"). The Authority's PARIS reports for the Guidelines for Procurement Contracts, Guidelines and Procedures for the Disposal of Personal Property, Guidelines and Procedures for the Disposal of Real Property and Guidelines and Procedures for the Acquisition of Real Property were completed and submitted by the March 31, 2008 deadline and have been certified by the Authority's Chief Financial Officer.

#### **Guidelines for Procurement Contracts**

In compliance with the applicable provisions of Section 2879 of the Public Authorities Law, as amended, the Authority has established comprehensive guidelines detailing its operative policy and instructions concerning the use, awarding, monitoring and reporting of procurement contracts.

These Guidelines, approved by the Authority's Trustees, were implemented on January 1, 1990 and have been reviewed annually and amended as necessary since then. The newly revised Guidelines will become effective on March 31, 2009 upon the Trustees' approval.

#### **Guidelines and Procedures for the Disposal of Personal Property**

In compliance with the Public Authorities Accountability Act ("PAAA"), the Authority established and is required to annually review and approve these Guidelines. Personal property is defined to include, but is not limited to, material, tools, equipment or vehicles that are not expected to be of any future use and have become surplus to the Authority. The Guidelines were initially approved by the Trustees in March 2006. The revisions proposed would add "public

auction” as an additional method of determining “Fair Market Value” of personal property to be disposed of and as a means of centralized disposal. The threshold for bidding procedures and disposal methods for personal property would be changed to “in excess of \$5,000” (from “in excess of \$15,000”).

### **Guidelines and Procedures for the Disposal of Real Property**

In compliance with the PAAA, the Authority established and is required to annually review and approve these guidelines. Real property includes “land owned by the Authority and any other interest in such real property, as such interest may be conveyed to another person or entity for any reason, excluding an interest in security a loan or other financial obligation of another party.” The Guidelines were initially approved by the Trustees in March 2006. The revisions would change some of the definitions contained in the guidelines and revise the duties of the Director of Real Estate to include “independent appraisal as appropriate and consistent with the intent of the PAAA” to provide for the appraisal of real property when a formal outside appraisal would not be cost effective or consistent with the intent of the PAAA given the nature of the real property. In addition, the revisions would clarify some of the language in the sections of the guidelines dealing with real property reports.

### **Guidelines and Procedures for the Acquisition of Real Property**

In compliance with the PAAA the Authority established Guidelines for the Acquisition of Real Property that was initially approved at the Trustees’ Annual Meeting in March 2008. The guidelines set forth the methodology the Authority will use in:

- Maintaining inventory of real property interests owned or under the jurisdiction of the Authority to determine the need to acquire real property.
- Making reports of such transactions.
- Designating an Authority representative (“Contracting Officer”) responsible for compliance with an enforcement of such guidelines.
- Setting forth ethical prohibitions regarding the acquisition of real property.

The 2009 revisions to the guidelines would update and clarify two of the definitions in the guidelines, modify the section on acquisition reports by the Authority be more consistent with the PAAA, include reports provided to entities as the Authority Budget Office and to the Public Authorities Reporting System and enable staff from Enterprise Shared Services – Real Estate to present and/or submit reports regarding the acquisition of real property at Authority Governance Committee meetings.

### **Expenditure Authorization Procedures**

The Authority’s By-laws require the Trustees to adopt Expenditure Authorization Procedures (“EAPs”) that, among other things, govern contract approval authorization and executions, delegation of approval for claims settlements and payment for real estate. At their

meeting of December 19, 1991, the Trustees approved modifications to the EAPs that delegated to the Chairman the authority to modify existing authorization and execution limits for contracts that do not require approval by the Trustees. Since 1991 the full Board of Trustees has not adopted revised EAPs since that time, good governance dictates that revised EAPs are presented to them for their approval.

Section 2879 of the Public Authorities Law defines procurement contracts as contracts for the acquisition of goods or services in the actual or estimated amount of \$5,000 or more. Section 2879 also requires the Trustees' approval for procurement contracts involving services (including personal and non-personal services and construction contracts) to be rendered for a period in excess of one year. Trustees' approval is required: (i) for the award of non-personal services, construction, equipment or non-procurement contracts with an initial value of \$3 million or more; (ii) for the award of personal services contracts exceeding \$1 million, if awarded to the low bidder, or exceeding \$500,000, if awarded to the non-low bidder or sole source and (iii) 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, equipment purchase or construction contract exceeds \$3 million.

The EAP revisions proposed by staff address issues raised by Deloitte's assessment of the Authority's equipment procurement process incorporate approval limits for additional titles and/or title changes for signing commitments and revise the limits for real estate transactions. The revisions would subject the aforementioned change order limits to what is referred to as the "25% Rule," which requires rebidding of contracts (or approval of the President and Chief Executive Officer or Chief Operating Officer, where rebidding is not feasible) when the total value of such contracts, including change orders, exceeds the original amount approved by senior management or the Trustees by more than 25%, with a maximum cumulative cap of \$1 million for non-personal services, equipment, construction and non-procurement contracts and \$500,000 for personal services contracts. Any funding in excess of 25% of the amount initially approved requires the approval of either the President and Chief Executive Officer or the Chief Operating Officer pending the Trustees' approval or the contract being rebid. The real estate revisions to the EAPs increase the settlement amount for claims, annual rental for leases, options to purchase real property and permits for the use of real property, since these amounts have not been revised since 1987.

Responding to a question from Trustee Cusack, Ms. Leto said that Deloitte had recommended that the 25% Rule apply to personal services contracts, but that construction contracts required more flexibility. She said that Deloitte's recommendations were designed to make the EAPs less confusing.

**GUIDELINES FOR PROCUREMENT CONTRACTS**

**1. PURPOSE**

These Guidelines for Procurement Contracts (“Guidelines”) comply with the applicable provisions of Article 4-C of the Economic Development Law, the Public Authorities Accountability Act, §2879 of the Public Authorities Law and §§139-j and 139-k of the State Finance Law, and establish the basis for the Authority to solicit and evaluate proposals from individuals and/or firms providing goods and/or services as defined in Article 2 below. Consistent with these Guidelines, individual facilities, White Plains office or departments may establish specific supplementary guidelines based on their own needs.

**2. DEFINITIONS**

- A. . “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities, Operations and Maintenance (“O&M”) and capital projects, including but not limited to: goods such as office supplies, major electrical equipment, construction and maintenance work and services as more fully described in Section 2. C below.
- B. “Non-Procurement Contracts” include contracts for energy, capacity, ancillary services, transmission, distribution or related services in support of providing service to Authority customers; contracts for differences; financial hedge contracts (including but not limited to swaps, calls, puts or swap options) and credit rating services. In addition, Non-Procurement Contracts include direct placement of advertisements with radio, television and print media, funding agreements, co-funding agreements, grants or memberships in various industry groups, professional societies or similar cooperative associations, nor any cooperative projects and procurement activities conducted or sponsored by such organizations in which the Authority participates.
- C. “Services Contracts” are Procurement Contracts for services of a consulting, professional or technical nature provided by outside consultants/contractors (individuals, partnerships or firms who are not and do not employ officers or employees of the Authority) for a fee or other compensation. Services Contracts comprise three specific types: Personal Services, Non-Personal Services and Construction. Personal Services include, but are not limited to: accounting, architectural, engineering, financial advisory, legal, public relations, planning, management consulting, surveying, training (when specifically developed by consultant for the Authority.) and construction management. Non-Personal Services include, but are not limited to: skilled or unskilled temporary personnel,

including clerical office staff, technicians or engineers working under Authority supervision; maintenance, repairs, and printing services. Construction consists of craft labor and other services utilizing laborers and/or mechanics not otherwise considered Non-Personal Services.

- D. Note: Use of such services may be appropriate (1) when a consultant/contractor possesses special experience, background or expertise; (2) when there is insufficient Authority staff and retention of a consultant/contractor is more appropriate or economical than hiring additional permanent staff; (3) to provide independent external review or a second opinion; (4) to meet unusual schedule requirements or emergencies or (5) for a combination of these factors. “Goods” include equipment, material and supplies of any kind.
- E. “Contact” means any oral, written or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the procurement.
- F. “Relative” is any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Subsection 9.F.1 of these Guidelines.
- G. “Minority and Women-Owned Business” (“M/WBE) is defined as any New York State certified business enterprise at least 51% of which is owned by black persons, Hispanics, Native Americans , Asians, Pacific Islanders and/or women, and as further described in the Authority’s Supplier Diversity Program Policy and Procedures and Executive Law Article 15-A.

### **3. SOLICITATION REQUIREMENTS**

- A. Solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Procurement Department, or the facilities’ Procurement Departments and the initiating department. Except as otherwise authorized by these Guidelines, a Request for Proposals (“RFP”) or Request for Quotations (“RFQ”) will be made available to a minimum of three providers and/or firms (if available) for purchases valued under \$25,000 and a minimum of five providers and/or firms (if available) for purchases valued at \$25,000 and greater, commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance. Whenever possible and practicable, RFP’s and RFQ’s should be sent to more than five providers.

- B. Prospective bidders on Procurement Contracts may be prequalified by invitation. In such cases, proposals are requested only from those providers and/or firms whose prequalification submittals demonstrate sufficient ability and competence to supply the particular goods and/or perform the particular services required.
- C. The Authority may withdraw any pending solicitation (including but not limited to RFP's and RFQ's) at any time, for cause or no cause. Any person or entity submitting any responsive document to the Authority does so at its own cost or expense and will not be reimbursed by the Authority for the preparation of any responsive document, unless otherwise agreed to in writing and signed by an authorized Authority representative.
- D. In order to promote the use of Minority and Women-owned Business Enterprises "M/WBE's", the Authority will solicit offers from M/WBE's known to have experience in the type of goods and/or services to be provided, regardless of the type of contract. For the purpose of these Guidelines, the definition of a NYS certified M/WBE is in Section 2.G.

To foster increased use of M/WBE's, a single proposal may be sought, negotiated and accepted for purchases of goods and/or services not exceeding \$5,000 from a NYS-certified M/WBE that offers a reasonable price for such goods and/or services.

- E. It is the policy of New York State to promote the participation of and maximize the opportunities for New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. Pursuant to Public Authorities Law §2879,
  - 1. A New York State Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law §2879.
  - 2. A New York State resident is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law §2879.
  - 3. A Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other

than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law §2879.

4. For purposes of construction services, Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.
- F. Pursuant to the Public Authorities Law §2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers for any Procurement Contract for the purchase of goods when preparing an RFP, RFQ, purchase order, price inquiry, technical specifications or similar document.
- G. Goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State or Federal government or any city or municipality where the White Plains Procurement Department, or facility Procurement Departments, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.
- H. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; milestone dates; the Authority's Supplier Diversity Program requirements, if applicable; all other applicable Authority requirements and any special methods or limitations that the Authority chooses to govern the work. Telephone solicitation, usually for procurements valued at \$25,000 or less, may be used where time constraints do not permit issuance of an RFP, where issuance of an RFP is otherwise impracticable or for goods that are catalog items or do not require a detailed bill of materials or specification.
- I. For all Procurement Contracts with a value equal to or greater than \$15,000 (except for those contracts noted below), the Authority will, prior to soliciting proposals, submit the following information to the Commissioner of the New York State Department of Economic Development ("DED") to be included on the weekly New York State Contract Reporter website, ([www.nyscr.com](http://www.nyscr.com)) (unless such posting would serve no useful purpose): (1) the Authority's name and address; (2) the solicitation number; (3) a brief description of the goods and/or services sought, the location where goods are to be delivered and/or services provided and the contract term; (4) the address where bids or proposals are to be submitted; (5) the due date for bids or proposals; (6) a description of any eligibility or qualification requirements or preferences; (7) a statement as to whether the contract

requirements may be fulfilled by a subcontracting, joint venture or coproduction arrangement; (8) any other information deemed useful to potential contractors; (9) the name, address, and phone number of the person to be contacted for additional information and (10) a statement as to whether the goods and/or services sought have, in the immediately preceding three-year period, been supplied by a Foreign Business Enterprise. Such information will be submitted to the DED Commissioner in accordance with the schedule set forth by the DED. The due date for bids or proposals will be a minimum of 21 calendar days (including holidays) after the date of publication of such notice on the Contract Reporter website.

This provision does not apply to Procurement Contracts awarded on an emergency basis as described below in Section 3.M; Procurement Contracts being rebid or re-solicited for substantially the same goods and/or services, within 45 business days after the original due date; and/or Procurement Contracts awarded to not-for-profit human services providers.

Certain Procurement Contracts may require purchases: (1) on the spot market; (2) needed prior to the time limits for noticing on the Contract Reporter website or that do not lend themselves to the solicitation process. In accordance with paragraph 3(h) of §2879 of the Public Authorities Law, such purchases, including, but not limited to, oil or gas purchases on the spot market, are exempted from the noticing requirements of Article 4-C of the Economic Development Law subject to the approval of the Vice President of Procurement or equivalent(s) or designee and the head of the initiating department. Where appropriate, generic notices may be published from time to time on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

- J. Proposals for certain Services Contracts may also be solicited by competitive search, as follows:

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as an Authority representative, a “competitive search” will be conducted to determine which consultants are most qualified, for reasonable compensation terms, to perform the work. Depending on market conditions, at least five potential sources should be evaluated; if there are fewer than five sources, all sources should be evaluated. The White Plains Procurement Department will work with the initiating department to gather information from potential sources, that will include a description of the consultant/firm’s qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a sole source basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
  2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
  3. A sole supplier's item is needed for trial use or testing, or a proprietary item is sought for which there is only one source.
  4. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
  5. The contract is awarded to a NYS certified M/WBE firm for purchases not exceeding \$5,000, pursuant to Section 3.D.
- L. Subject to the Authority's Expenditure Authorization Procedures ("EAP's"), a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:
1. A threat to the health or safety of the public or Authority employees or workers.
  2. Proper functioning of the Authority facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- M. Whenever an initiating department determines that a Procurement Contract should be awarded on either a sole source or an emergency basis, the head of the department will provide a written statement explaining the reasons therefor to the White Plains Procurement Department or the appropriate facility Procurement Department.
- N. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. Pursuant to State Finance Law §§139-j and 139-k,

1. A “Procurement Contract” is any contract or other agreement for a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property that is the subject of a governmental procurement. Grants, contracts between the Authority and non-profit organizations pursuant to Article 11-B of the State Finance Law, intergovernmental agreements, railroad and utility force accounts, utility relocation project agreements or orders and eminent domain transactions are not Procurement Contracts.
2. The “Restricted Period” is the period of time commencing with the earliest written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method for soliciting a response from bidders/contractors intending to result in a procurement contract with the Authority and ending with the final contract award.
3. The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement, by bidders/contractors or persons acting on their behalf where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

#### **4. EVALUATION OF PROPOSALS**

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder, the technical merit of the proposal and the price for which the goods and/or services are to be supplied.
- B. In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the White Plains Procurement Department and/or the appropriate facility Procurement Department and appropriate managers as stipulated in the EAP’s. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award; and (3) negotiating with the low bidder(s), as determined by the Vice President of Procurement or equivalent(s) or designee, to reduce the price

quoted. Factors to be considered in reaching the proper course of action include but are not limited: to the effects of a delay on both the schedule and the cost of the specific capital construction project or outage at an operating facility, the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.

- C. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to meet Supplier Diversity Program goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.
- D. For Services Contracts, the technical merits of the proposals and the experience and capabilities of the bidders will be the primary factors in determining the individual or firm to be awarded the contract, provided that the price for performing such work is reasonable and competitive.
- E. For Procurement Contracts other than Personal Services (as defined in Section 2.B of these Guidelines), the award should generally be made to the lowest-priced firm submitting a proposal that meets the commercial and technical requirements of the bid documents.
- F. Pursuant to §139-j of the State Finance Law, the Authority shall not award a Procurement Contract (as defined in Subsection 3.N.1. of these Guidelines) to a bidder/contractor who fails to provide timely, accurate and complete responses to inquiries about past determinations of non-responsibility (unless awarding the contract is necessary to protect public property or public health or safety and the bidder/contractor is the only source capable of supplying the required article of procurement within the necessary timeframe.)

A bidder's/contractor's knowing and willful violation of the Authority's policy providing for certain procurement disclosures shall result in a determination of non-responsibility of such bidder/contractor pursuant to State Finance Law §§139-j and 139-k only.

More than one determination of non-responsibility due to violations of State Finance Law §139-j in a four-year period shall render a bidder/contractor ineligible to submit bids for four years from the second determination of non-responsibility.

- G. An award to "other than low bidder" can be made only with the approval of appropriate management as stipulated in the EAP's, and should be based on such a proposal providing a clear advantage to the Authority over the lower-priced proposal. Factors justifying an "other than low bidder" award may include, but are not limited: to improved delivery schedules that will reduce outages, longer warranty periods, improved efficiency over the usable life of the equipment, reduced maintenance costs, the bidders' financial resources or the ability to meet or exceed Supplier Diversity Program goals.
- H. The specifications set forth in any solicitation prepared under these Guidelines were based upon information available at the time of the preparation of the solicitation. Thus, the Authority may diverge from the specifications of any solicitation if after review of the proposals responsive to such solicitation, the Authority deems it prudent in light of its experience, the circumstances of the solicitation and/or potential cost savings. Such divergence from the specifications should be immaterial, for example only, as to qualifications, quantity, quality, term, services and/or price.

## **5. RECOMMENDATION OF AWARD**

- A. A recommendation for approval of a proposed award of a Procurement Contract is usually prepared in the form of a memorandum by the department requiring the goods and/or services. The recommendation must include an evaluation of proposals as specified in Article 4 above, as well as proposed specific compensation terms that provide a clear breakdown of cost factors and methods of calculation, including, as applicable:
  - 1. Lump sum and/or unit prices for equipment and construction work.
  - 2. Hourly or daily rates for personnel.
  - 3. Markups for payroll taxes, fringe benefits, overhead and fees, if the proposal is based on reimbursement of actual payroll costs.

4. Terms for reimbursement of direct out-of-pocket expenses, such as travel and living costs, telephone charges, services of others and computer services.
  5. Provisions, if any, for bonus/penalty arrangements based on target person-hours and/or target schedule.
- B. The recommendation will also review any substantive exceptions to commercial and technical requirements of a price inquiry, RFP, RFQ or bidding documents, including but not limited to payment terms, warranties and bond requirements, if any.

**6. AWARD OF CONTRACT**

- A. Services Contracts to be performed for a period of more than 12 months are approved and reviewed annually by the Trustees. Services Contracts for a period of less than 12-months are approved by authorized designees in accordance with existing EAP's. Extending a contract for services with an initial duration of less than 12 months beyond 12 months will be approved by the Trustees at the request of the initiating department and will be reviewed by the Trustees annually. Extending a contract for services that has previously been approved by the Trustees for a cumulative term of more than 12 months requires further Trustees' approval. Extending a contract previously approved by the Trustees for 12 months or less requires approval by an authorized designee in accordance with existing EAP's.
- B. For Services Contracts to be performed for a period of more than 12 months that must be awarded prior to the next scheduled Trustees' meeting, the initial contract will be issued for the entire intended term of the contract. Based on its total value, such contract must be approved by the appropriate management as set forth in the EAP's. Such contract is subject to the Trustees' approval, at the next quarterly Trustees' meeting. If such approval is not granted, the contract will be terminated immediately.
- C. A contract or contract task is deemed to be for services in excess of 12 months where the contract does not specify a definite term and the work will not be completed within 12 months, and any "continuing services" contract with no fixed term that provides for the periodic assignment of specific tasks or particular requests for services. This includes Trustee-approved contracts for architect/ engineering services with the original engineers of operating facilities, as well as the original supplier of steam supply systems or boilers and turbine generating equipment. Each task authorized under such contracts (which may be referred to as a "Change Order," "Purchase Order" or "Task Number") is considered a separate

commitment and must be separately approved in accordance with the EAP's.

- D. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions.
- E. When time constraints or emergency conditions require extending an existing contract with an initial duration of less than a year beyond a year, and the cumulative monetary change order value does not exceed the appropriate limit set forth in the EAP's, the Business Unit Head, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize extending such contract, subject to the Trustees ratifying such action as soon as practicable.
- F. When the total estimated contract value or the value of the extension exceeds the monetary limits set forth in the EAP's, interim approval by the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee is required, subject to the Trustees' ratifying such action as soon as practicable.
- G. When time constraints or emergency conditions require immediate commencement of services to be performed for a period of more than one year, and when the contract value exceeds the monetary approval limit for the President and Chief Executive Officer or Chief Operating Officer or equivalent(s), as set forth in the EAP's, the President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee, with the prior concurrence of the Vice President of Procurement or equivalent(s) or designee, may authorize the commencement of such services. The initial compensation limitation may not exceed the authorization level for the President and Chief Executive Officer or equivalent(s) or Chief Operating Officer or equivalent(s) as set forth in the EAP's. Such contracts will be subject to the Trustees' approval, which will be solicited at their next scheduled Trustee meeting.
- H. The White Plains Procurement Department or the facilities' Procurement Departments prepare the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that mutually signed letters of award or intent may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAP's.
- I. Pursuant to Public Authorities Law §2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these

Guidelines) in an amount equal to or greater than \$1 million simultaneous with notifying the successful bidder therefor. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at the Foreign Business Enterprise or acting on behalf of same who is principally responsible for the proposed Procurement Contract.

## **7. CONTRACT PROVISIONS**

- A. The following standard forms of contracts are available from the White Plains Procurement Department: purchase order format for standard procurements of goods and/or services; furnish-and-deliver format for major equipment purchases; letter agreements and agreement formats for consulting work and contract work orders (for construction work of small magnitude), construction contracts (for major construction work) and furnish, deliver and install contracts (for specialized, major procurements where single responsibility is required for procurement and installation). These contract forms are intended to govern the purchase of goods and/or performance of services. Authority departments proposing to initiate a Procurement Contract should review these forms to suggest any modifications and additions that may be required for the particular goods and/or services. Under no circumstances should contract forms be shown to proposed bidders without the prior approval of the Procurement Department, which, along with the facilities' Procurement Departments, is solely responsible for requesting proposals.
- B. The following types of provisions setting forth contractor responsibilities are to be contained in the standard forms of Procurement Contracts, except that any provisions listed below that are inapplicable or unnecessary because of the nature or duration of the work to be performed, the location(s) where the work is to be performed or the type of compensation being paid therefor, need not be included. Other provisions may be added as necessary and appropriate.
1. Schedule of Services or Specifications
  2. Time of Completion
  3. Compensation or Itemized Proposals
  4. Relationship of Parties
  5. Delays
  6. Termination
  7. Changes in the Work
  8. Claims and Disputes

9. Warranty
10. Insurance
11. Records, Accounts, Inspection and Audit
12. Assignment
13. Notices
14. Indemnification
15. Governing Law
16. Proprietary Nature of Work
17. Testimony
18. Entire Agreement

Contract Attachments

1. Compensation Schedule
2. Schedule of Services or Specifications
3. Appendix “A” (Miscellaneous Statutory Provisions)
4. Appendix “B” (Prompt Payment Provisions)
5. Appendix “C” (Minority and Women-Owned Business Enterprises Provisions)
6. Appendix “D” (Background Security Screening for Authority Contractors)
7. Appendix “E” (Omnibus Procurement Act of 1992 Requirements)
8. Appendix “F” (Computer Aided Drawing Requirements For New York Power Authority)
9. Appendix “G” (Equal Employment Opportunity Requirements)
10. Appendix “H” (Tax Law Requirements)
11. Appendix “J” (Bidder/Contractor Compliance with State Finance Law §§139-j and 139-k Providing for Certain Procurement Disclosures)

- C. Any firm, person or entity retained by the Authority to provide conceptual studies, designs or specifications is prohibited from being awarded future phases of work, including implementation, related to the original work. If there is no qualified response to the solicitation for future phases of work, including implementation, the approval of the Vice President of Procurement or equivalent(s) or designee, applicable Business Unit Head or equivalent(s), Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) is required to waive this restriction on a case-by-case basis.

**8. CHANGE ORDERS**

- A. Change Orders to existing contracts are justified in the following cases:

1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
  2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
  3. To accommodate emergency conditions, defined in Section 3.L herein, that require the immediate performance of work by a firm already under contract;
  4. When rebidding would not be practical or in the best interests of the Authority's customers; and
  5. To meet the Authority's Supplier Diversity Program goals in accordance with Executive Law Article 15-A.
- B. All Change Orders must be approved in accordance with the Authority's EAP's, and should include specific schedules for completion of work at the earliest possible time.

9. **CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES**

- A. Former Authority officers and employees are eligible to be considered for employment as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their employment is not barred by New York Public Officers Law §73(8);, they obtain an opinion by the New York State Commission on Public Integrity that such employment is permissible; and upon approval of the President and Chief Executive Officer.
- B. Pursuant to the provisions of New York Public Officers Law §73(8):
1. No Authority officer or employee is eligible, within a period of two years after the termination of Authority service to appear or practice before the Authority or receive compensation for any services rendered on behalf of any person, firm, corporation or association, in relation to any case, proceeding or application or other matter before the Authority.
  2. No Authority officer or employee is eligible, at any time after the termination of Authority service, to appear, practice, communicate or otherwise render services before the Authority or any other state agency or receive compensation for any such services rendered on behalf of any person, firm, corporation or other entity in relation to

any case, proceeding, application or transaction that such person was directly concerned with and personally participated in during his or her period of service, or which was under his or her active consideration.

- C. No Authority employee who is involved in the award of Authority grants or contracts may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official or candidate for elective office or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- D. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 9.C above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- E. No Authority employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which the Authority employee or a Relative of such Authority employee owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section 9.E, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
  - 1. For purposes of Section 9.E, the term "Relative" is defined in Section 2.F. of these Guidelines.

## **10. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS**

The Authority strives to continue to foster the development of business opportunities on Authority contracts for M/WBE's. Article 15-A of the Executive Law established the NYS Office of Minority/Women Owned Business and Community Relations that is responsible for developing rules and regulations for implementation of this statute, certifying M/WBE's and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. The definition of an M/WBE is included in Section 2.G of these Guidelines. The Authority aims to solicit proposals from NYS certified M/WBE's that are qualified to perform the required work. In addition, specific goals may be included in certain contracts for consulting work, construction and

procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS certified M/WBE's as required by law. Bidders' proposals will include Preliminary Subcontracting Plans for M/WBE's, where required, and such bidders failure to meet these requirements may be grounds for rejection of the proposal, or cancellation of the contract if a contractor did not make a good faith effort to meet its goals after contract award.

## **11. REPORTING AND PROCUREMENT RECORD**

- A. The White Plains Procurement Department maintains records of Procurement Contracts, including bidders' names, the selection processes used and the status of existing contracts, including goods provided and/or services performed and fees earned, billed and paid. At the facilities, such records will be kept by the facilities' Procurement Departments. After the end of each calendar year, the Vice President – Procurement or equivalent(s) will prepare and submit an annual report to the Trustees for their approval that will include:
1. A copy of the Guidelines;
  2. An explanation of the Guidelines and any amendments thereto since the last annual report;
  3. A list of all Procurement Contracts entered into since the last annual report, including all contracts entered into with New York State Business Enterprises and the subject matter and value thereof and all contracts entered into with Foreign Business Enterprises and the subject matter and value thereof;
  4. A list of fees, commissions or other charges paid;
  5. A description of work performed, the date of the contract and its duration, the name and address of the awardee, the total amount of the contract, the amount spent on the contract during the reporting period and for the term of the contract to date and the status of open Procurement Contracts;
  6. The method of awarding the contract (e.g., competitive bidding, sole source or competitive search); and
  7. The reasons why any procurements with a value greater than \$15,000 were not noticed in the Contract Reporter.
- B. Such annual report, as approved by the Trustees, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, with copies and shall be distributed to the New York State Department of Audit and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual

procurement report is posted on the Authority's website and copies shall be made available to the public upon reasonable written request therefor.

C. State Finance Law §§139-j and 139-k.

1. A statement describing the basis for a determination of a bidder's/contractor's non-responsibility (per State Finance Law §§139-j and 139-k only) and the Authority's decision not to award a bidder/contractor the Procurement Contract must be included in the procurement contract record.
2. The Authority shall notify the New York State Office of General Services of bidders/contractors who have been determined to be non-responsible bidders (per State Finance Law §§139-j and 139-k only) or debarred due to violations of §139-j of the State Finance Law.
3. All forms entitled "Record of Contact" shall be included in the respective procurement contract record.
4. A statement describing the basis for a termination of a Procurement Contract for providing an intentionally false certification must be included in the procurement contract record.

D. The Authority may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the PAAA or other statutes regulating the procurement of goods and services, such as the Authority Budget Office through the Public Authorities Reporting Information System ("PARIS").

**12. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS**

- A. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended, nor should it be construed, to confer on any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
- B. Nothing contained in these Guidelines alters or affects the validity of, modifies the terms of or impairs any contract or agreement entered into in violation of these Guidelines.

**GUIDELINES**

**AND**

**PROCEDURES**

**FOR THE**

**DISPOSAL OF PERSONAL PROPERTY**

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**GUIDELINES AND PROCEDURES**  
**FOR THE**  
**DISPOSAL OF PERSONAL PROPERTY**

I. **PURPOSE**

These Guidelines and Procedures for the Disposal of Personal Property (hereinafter "Guidelines"), which comply with Title 5-A, Article 9 of the Public Authorities Law, establish the procedures which detail the Authority's policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Authority's compliance with, and enforcement of, the Guidelines.

II. **DEFINITIONS**

A. "Contracting Officer" shall mean the officer or employee of a public authority who shall be appointed by resolution of the Authority's Board of Trustees to be responsible for the disposition of personal property. The "Contracting Officer" is hereby designated to be the Senior Vice President – Enterprise Shared Services, or equivalent(s), or a designee so stated in writing. The Authority's Contracting Officer shall not be responsible for compliance for dispositions of personal property conducted by another state entity authorized to dispose of personal property under the Public Authorities Accountability Act ("PAAA") or as otherwise authorized by law.

- B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal property in accordance with these Guidelines.
- C. "Property" shall mean personal property owned by the Authority with a value in excess of \$5,000, and any other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. For the purposes of these Guidelines, personal property includes, but is not limited to, materials, tools, equipment, or vehicles which are not expected to be of any future use to the Authority, i.e., typically surplus or obsolete materials and supplies.
- D. "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the material in an arms-length transaction in the appropriate marketplace. Fair Market Value may be determined by consulting industry-recognized sources, contacting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods, as may be approved by the Contracting Officer.
- E. "Relative" is defined in Subsection X.G.1. of these Guidelines.

### **III. OBJECTIVE**

The objective of these Guidelines is to identify those Authority personnel responsible for authorizing the disposal of Property owned by the Authority and to insure that the Authority receives fair and reasonable value for such Property. The transfer or sale of Property shall be accounted for in accordance with the Authority's

Corporate Accounting Policy No. CAP 4.3 dated 6/30/05, Revision 2 -- "Accounting for Materials and Supplies."

**IV. TRANSACTIONS NOT COVERED**

These Guidelines do not apply to any of the following transactions:

1. Disposal of real property interests;
2. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
3. Transfer/re-deployment of Property from one Authority facility to another Authority facility.

**V. DESIGNATION OF PROPERTY DISPOSAL COORDINATORS**

- A. The Contracting Officer shall be responsible for the Authority's compliance with, and enforcement of, the Guidelines.
- B. The individual responsible for disposal of all Property at the Authority's facilities will be the Facilities Materials Superintendent ("FMS") currently located at the Clark Energy Center. For purposes of Property disposal, the FMS reports directly to the Contracting Officer. .
- C. The Purchasing and Warehouse Manager from each facility will be the local Property Disposal Coordinator for his or her facility or location ("Facility PDC"). The Facility PDC reports to the FMS.
- D. The Contracting Officer will designate an individual from the WPO

Procurement Division to be the Property Disposal Coordinator for the White Plains, Albany and New York corporate offices ("WPO PDC"). For purposes of Property disposal, the WPO PDC will confer, interface with and report to the Contracting Officer.

- E. The Director of Fleet Operations ("DFO") or equivalent or designee is responsible for the disposal of vehicles and rolling equipment. The DFO reports directly to the Contracting Officer.
- F. If appropriate, the responsible Facility PDC should confer (by oral or written communication) with the FMS and the WPO PDC should confer (by oral or written communication) with the Contracting Officer to determine if a "centralized" sale of Property, as outlined in Article VII, is appropriate. If agreed, the responsible PDC should arrange for shipment of the Property to be sold from the site to the sale location. If a centralized sale is not appropriate, the responsible PDC should proceed in accordance with the "decentralized" procedures, as outlined in Article VIII.

## **VI. BIDDING PROCEDURES**

Except for Disposals pursuant to Article VII ,Article XII and Subsection VI(B)(4) of these Guidelines, whenever practicable, the responsible PDC shall solicit proposals from at least 5 bidders, to purchase the Property to be disposed of, and will maintain records of such solicitations. The PDC should use "Attachment A" attached hereto or an appropriate substitute for solicitations under this Article VI.

### **A. SOLICITATIONS FOR PERSONAL PROPERTY VALUED AT \$15,000**

**OR LESS**

Telephone notices and/or mailings may be used where the estimated Fair Market Value of the Property to be disposed of is equal to or less than \$15,000. All bids must be submitted in writing on the forms and in the manner prescribed by this procedure and by the date and time (the "Bid Due Date") included in the solicitation.

**B. DISPOSAL METHODS FOR PERSONAL PROPERTY IN EXCESS OF \$5,000 IN VALUE**

1. For the purposes of these Guidelines, disposal options include, but are not limited to: sale (directly to the Buyer, through a third party, negotiation, well-advertised public auction that permits full and free competition consistent with the value and nature of the property or on any other centralized basis that achieves the same level of competition); return to the original equipment manufacturer or to the source; trade-ins; or disposal through the New York State Office of General Services ("OGS"). Use of the internet, in conjunction with the foregoing options, may also be utilized, as applicable. The Authority's Environment, Health and Safety Division should be consulted, on a case-by-case basis, regarding disposal of items that may be considered hazardous waste.

2. All Disposals of Authority Property should be made after publicly advertising for bids except as provided in Paragraph 4 below.
3. Whenever public advertising for bids is required under paragraph 2:
  - a. the appropriate advertisement for bids (Attachment "B" or an appropriate substitute) shall be made at such time prior to the Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. Typically, this will include advertisements in one or more of the following publications, depending on the nature of the Property: local newspapers at the facility where the sale is taking place, trade journals, regional or nationwide publications (if the market for such sale is regional or nationwide), the New York State Contract Reporter or internet services;
  - b. all bids must be submitted in writing on the forms and in the manner prescribed by this procedure and by the Bid Due Date included in the solicitation;
  - c. all bids shall be publicly disclosed, at the time and place stated in the solicitation; and
  - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and will be most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so.

4. Disposals of Property may be negotiated or made by public auction without regard to Subsections 2 and 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
  - a. the Property involved is of a nature and quantity which, if Disposed of under Subsections 2 and 3 of this Section, would adversely affect the state or local market for such Property, and the estimated Fair Market Value of such Property and other satisfactory terms of disposal may be obtained by negotiation;
  - b. bid prices after advertising therefore are not reasonable, either as to all or part of the Property, or have not been independently determined in open competition;
  - c. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Property and other satisfactory terms of Disposal are obtained by negotiation;
  - d. the Disposal is for an amount less than the estimated Fair Market Value of the Property, the terms of such Disposal are obtained by public auction or negotiation, the Disposal of the Property is intended to further the public health, safety or welfare or an economic development interest of the state or a political subdivision (to include but not be limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the Authority's

enabling legislation permits), and the purpose and the terms of such Disposal are documented in writing and approved by the Authority's Board of Trustees;

- e. If the estimated or actual fair market value of the property does not exceed \$15,000; or
  - f. such action is otherwise authorized by law.
5. An explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property which has an estimated Fair Market Value in excess of fifteen thousand dollars (\$15,000). In addition, an explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Property disposed of by exchange, regardless of value. Each such statement shall be transmitted to the Commissioner of General Services, the State Legislature, the State Comptroller, and the Division of the Budget, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.

C. **DISPOSAL OPTIONS IF NO BIDS ARE RECEIVED**

If solicitation pursuant to Sections VI.A. and VI.B. does not produce any proposals to purchase the Property from the Authority, or if all proposals received are less than the Authority's Fair Market Value estimate, the appropriate PDC shall confer with the FMS and the Contracting Officer to decide (i) if re-soliciting is feasible; (ii) if shipment to a third-party

contractor for Disposal would result in higher-priced proposals; (iii) if disposal by other methods would be appropriate; and/or (iv) if the Fair Market Value estimate requires review or adjustment.

**VII. CENTRALIZED DISPOSAL**

A. Subject to the approval of the Contracting Officer and in accordance with Article VI of these Guidelines, in either the initial document authorizing the disposal or through a subsequent communication, Property may be disposed of using any of the following methods:

1. Shipment of the material to a third-party vendor(s), selected by competitive bidding, which, pursuant to these Guidelines, will market the material for sale or dispose of such material in accordance with environmental and any other Authority requirements.
2. Consolidation of such Property at one of the Authority's facilities or an offsite warehouse for the purpose of conducting a sale managed by Authority staff, possibly with the assistance of an outside contractor.
3. Participation in public auctions such as through a private auctioneer or other utility provided the advertisement for bids through such methods permits full and free competition consistent with the value and nature of the property. (

**VIII. DECENTRALIZED DISPOSAL**

- A. The Regional Manager, Project Manager, or head of a Department or Division requiring disposal of Property which he or she believes to be surplus, will submit to the responsible PDC a written description of the material, with the original price (if known), and estimate of the Property's Fair Market Value (if available). If practical, a photograph of the material or equipment in question should be provided. Such submission shall be made to the PDC designated at the location at which the Property is located, the responsible PDC.
- B. If the responsible PDC, in conference with either the FMS or the Contracting Officer, as appropriate, determines that other Authority facilities may have an interest in the Property, a notice should be sent to the other Authority facilities advising of its availability and requesting a response within a specified time frame. A record of the notice will be maintained by the responsible PDC. In the event that the responsible PDC and either the FMS or the Contracting Officer, as appropriate, determine there is no interest in such material at other Authority facilities, a written explanation should be prepared by the PDC to that effect and maintained in the file for that transaction.
- C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Property in accordance with the procedures described in Article VI.

**IX. PARTIES PROHIBITED FROM BIDDING**

- A. All current and former employees of the Authority and relatives of such employees or third parties acting on behalf of such employees shall not be eligible to bid for the purchase of Authority Property and are prohibited from subsequently acquiring it in any manner. Each bidder will be required, as part of his or her bid, to certify, by signing Attachment "B", that he or she is not a current or former employee of the Authority, is not related to any current or former employee of the Authority and is not acting on behalf of a current or former employee of the Authority or a relative of any such employee. No bid will be accepted unless accompanied by such certification.
- B. The term "related to" as used in paragraph A above means the relationship of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

**X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT**

- A. Following the receipt of proposals for the Property, the responsible PDC shall evaluate the proposals submitted and determine whether the highest of such proposals is reasonable, given the estimated Fair Market Value of the Property.
- B. If the responsible PDC determines that the highest bid received is reasonable, the responsible PDC shall recommend to the Responsible

Officer(s), as hereinafter defined in Article XI, that such bid be accepted, and upon the written approval of the Responsible Officer(s), the sale shall be made to the person offering such proposal. After obtaining all necessary approvals in accordance with Article XI "Authorization Levels," a Sales Agreement appended hereto ("Attachment C") must be executed by the responsible Authority staff member and by the successful bidder prior to completion of the transaction.

- C. If either (a) the responsible PDC determines that the highest bid is not reasonable or (b) the Responsible Officer(s) decline(s) to authorize the sale, the Property will, except as provided in paragraph D below, be retained for future disposal in accordance with these Guidelines. Factors to be considered in determining whether a bid is reasonable include, but are not limited to: adequacy of the estimate of the Fair Market Value, anticipated improved future market conditions, potential for other means of disposal or redeployment, financial viability of the bidder, and condition of the Property.
- D. Notwithstanding any determination by the responsible PDC, the Responsible Officer(s), with the review and approval of the Contracting Officer, may direct the sale of the Property to the person or firm submitting the highest bid.
- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made

campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
  
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
  - 1. For purposes of this Section G, the term "Relative" shall mean any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee's grandparents or the spouse of such descendant.

**XI. AUTHORIZATION LEVELS**

A. For the purposes of these Guidelines, the Responsible Officer(s) will in each case review the appropriateness of the Fair Market Value estimate and the recommendation for contract award for disposal of the Property. For public auctions or similar centralized disposals, such authorization should be obtained prior to submitting such materials to auction based on the estimated fair market value of the property. Responsible Officers are designated as follows:

1. The Trustees, if the Fair Market Value of the Property is greater than \$1,000,000; or
2. The President or the Chief Operating Officer or equivalent(s), if the Fair Market Value of the Property is up to \$1,000,000; or
3. The Senior Vice President – Enterprise Shared Services or equivalent(s) or the Executive Vice President – Chief Administrative Officer or equivalent(s), if the Fair Market Value of the Property is up to \$500,000; or
4. The Vice President – Procurement or equivalent(s), if the Fair Market Value of the Property is up to \$250,000; or
5. The FMS, if the Fair Market Value of the Property is up to \$50,000; or
6. The responsible PDC, with the prior written approval of either the FMS or the Contracting Officer, as appropriate, if the Fair Market Value of the Property is \$5,000 or less.

**XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY**

A. **Trade-Ins**

This procedure is not intended to restrict the trade-in of equipment (i.e., computer or office equipment), materials, and/or vehicles for replacements from dealers furnishing replacement equipment, materials, and/or vehicles, where reasonable value can be obtained for the trade-in. Any such proposed trade-in must be included as part of the solicitation of bids for the replacement equipment, materials and/or vehicles and the trade-in value must be stated in the proposals from solicited bidders. Best efforts shall be utilized to secure a trade-in value that is equal to or exceeds the Fair Market Value.

B. **Return to the Original Equipment Manufacturer ("OEM") or to the Source**

Return of materials to the OEM or the source is permissible provided that the Authority receives full value for any materials equal to the price paid by the Authority or the estimated Fair Market Value of the Property. In the event a re-stocking fee is charged by the OEM or the source, the FMS or the Contracting Officer, as appropriate, shall be consulted to determine if such a re-stocking fee is reasonable and if there are other opportunities for sale of such material. The Contracting Officer must approve all returns to the OEM or the source when a re-stocking fee is charged, subject to the Authorization Levels delineated in Article XI.

C. **Disposal through the New York State Office of General Services (OGS)**

When it is determined advantageous to the Authority, the Authority may utilize OGS for Disposal of Authority-owned Property including but not limited to vehicles and rolling equipment, and/or may make use of on-line disposal methods offered by OGS. In addition, in accordance with New York State law, surplus computers and accessories (e.g. monitors and keyboards) and surplus office furniture and other equipment may, with the approval of the Contracting Officer, be transferred to OGS for disposition, in the case of computers and accessories to school districts located near Authority offices or operating facilities, or in the case of office furniture and office equipment, to other state entities. Disposal of these items in this manner represents the best value to New York State in lieu of attempted re-sale of such materials.

### **XIII. METHODS OF PAYMENT**

The proceeds from the sale of Property in the form of cash or a certified check made payable to the Authority must be forwarded to the Authority's Treasurer by the Facility PDCs and to the Authority's Controller's Office by the FMS and WPO PDC. In certain cases involving a transfer of Property to other state agencies or authorities, the performance of documented services to the Authority equal to or greater in value to the Fair Market Value of the Property, will serve as payment for such Property. The authorization limits of Article XI shall apply to such transactions.

### **XIV. REPORTING REQUIREMENTS**

- A. The Authority shall publish, not less frequently than annually, a report of all Property disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Authority during such period. Such report shall be prepared in conjunction with the report required by the Authority's "Guidelines and Procedures for the Disposal of Real Property."
- B. Such report, as approved by the Trustees, shall be submitted to the Comptroller, the Director of the Budget, the Commissioner of General Services and the Legislature.
- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the Comptroller a copy of the Guidelines most recently reviewed and approved by the Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.
- D. For disposal by negotiation or exchange (except when an identical or in-kind replacement is provided to the Authority) an explanatory statement shall be prepared and submitted to the parties described more fully in Subsection VI.B.5.
- E. The Authority's Governance Committee meets at least three times per year and staff from the Enterprise Shared Services Department or the

equivalent(s) prepare and present ongoing reports regarding disposals of personal property and real property.

- F. The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Property, such as the Authority Budget Office through the Public Authorities Reporting Information System ("PARIS").

**BID SHEET**

The following personal property is available for sale "AS IS, WHERE IS" and the Power Authority gives no warranty whatsoever as to its condition.

LUMP SUM BID AMOUNT\* \$ \_\_\_\_\_

Subject to all terms and conditions set forth on the reverse hereof, the undersigned offers and agrees to purchase the above-described personal property at the bid amount indicated.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
FAX number

\_\_\_\_\_  
Telephone number

\* All sales are subject to New York State Sales Tax and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.

**PERSONAL PROPERTY SALE**  
**SALE NO. \_\_\_\_\_**  
**NEW YORK POWER AUTHORITY**  
**(ADDRESS OF PROJECT)**  
**Telephone: ( ) \_\_\_\_\_**  
**FAX: ( ) \_\_\_\_\_**

Subject to the terms and conditions stated below, bids will be received on the personal property, either by mail, fax or hand delivery at the (Location) \_\_\_\_\_ no later than (Date) \_\_\_\_\_.

The personal property is available for inspection, by appointment, at the (Project) \_\_\_\_\_ . For an appointment, please contact the Property Disposal Coordinator, (Name) \_\_\_\_\_ at (Telephone no.) \_\_\_\_\_.

Successful bidders will be required to pay by certified check, on notice from the Authority that the bid has been accepted, and remove the personal property from the Authority's premises within ten (10) calendar days after receipt of notice of award.

Envelopes containing bids submitted by mail should be marked on the outside to indicate that a bid on Sale No. \_\_\_\_ is enclosed.

Current and former employees of the Power Authority or relatives of such employees or third parties acting on behalf of such employees or relatives are ineligible to bid and are prohibited from subsequently acquiring such personal property in any manner.

1. **INSPECTION.** Bidders are invited, urged and cautioned to inspect the personal property being sold prior to submitting a bid. The personal property will be available for inspection at the time and place specified above. In no case will failure to inspect constitute grounds for the withdrawal of a bid after opening.
2. **CONDITION OF PROPERTY.** All personal property listed is offered for sale "AS IS, WHERE IS". The Authority does not in any way warrant the fitness of the personal property for any particular use or its merchantability and disclaims any other representations or warranties, express or implied, including, but not limited to, quality, character, performance or condition of the personal property or any of its component parts, assemblies, or accessories.
3. **CONSIDERATION OF BIDS.** Bids must be submitted in writing on the form provided by the Authority (see reverse side) and shall be submitted on all items listed. The Authority reserves the right to reject any and all bids, to waive technical defects in bids and to award sale of the items as may be in the best interest of the Authority.
4. **PAYMENT.** The Purchaser agrees to pay for the awarded personal property in accordance with the prices quoted in his/her bid. Payment of the full purchase price must be made within the time allowed for removal, and prior to the release of any personal property to the Purchaser.
5. **NEW YORK STATE SALES AND COMPENSATING USE TAX.** All sales will be subject to New York State Sales and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.

### ADVERTISEMENT FOR PROPOSALS

The following described personal property, shall be sold "AS IS, WHERE IS" by the New York Power Authority ("the Authority").

1. Sealed bids are invited for the above, which will be available for inspection by inquiry at the (Location/Building) at the (Project and Address) between the hours of \_\_\_\_\_ a.m. to \_\_ p.m. on (Date/s). Bids must be submitted on the Authority's bid form, which can be obtained by calling (Telephone no.). No bid will be accepted unless it is on such form. Bids shall be accepted on or before \_\_\_\_ p.m. on (Date).
2. Current and former employees of the Authority or relatives of such employees or third parties seeking to act on behalf of such employees or relatives shall be ineligible to bid.
3. Successful bidders, on notice from the Authority, shall be required to pay by certified check and shall promptly remove the personal property from the Authority's property.
4. The Authority reserves the right to reject any and all bids.

**PERSONAL PROPERTY  
SALES AGREEMENT**

\_\_\_\_\_, the Buyer, and the Power Authority of the State of New York ("the Authority"), agree as follows:

- 1) The personal property identified herein is sold by the Authority and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) **THE AUTHORITY DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
- 3) The Bidder warrants that he/she/it is not a current or former Authority employee, is not related to an Authority employee and did not bid on behalf of an Authority employee. Bidder is aware that Authority employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Bidder pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. The Authority reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Bidder of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the Authority and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the Authority and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.
- 5) The Buyer shall remove the personal property from the Authority's premises by \_\_\_\_\_ at Buyer's expense. The Buyer shall make payment upon delivery by certified check payable to the New York Power Authority.

Description of Personal Property:

Selling Price: \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Buyer (Print or Type):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Seller:

Power Authority of the State of New York  
123 Main Street  
White Plains, New York 10601

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Full Name (Printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

PRIVACY LAW NOTIFICATION

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF AUTHORITY PROPERTY.

This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the Power Authority of the State of New York in the sale of Authority personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).

Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Authority.

Exhibit "A"  
March 25, 2008

This information will be maintained by Fleet Operations, at the Power Authority of the State of New York, Clark Energy Center located at 6520 Glass Factory Road, Marcy, N.Y. 13403, (315) 724-8186 or, when appropriate, by the Procurement Department at the Corporate office or at one of the Authority facilities.

**GUIDELINES**

**AND**

**PROCEDURES**

**FOR THE**

**DISPOSAL OF REAL PROPERTY**

**INDEX**

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**GUIDELINES AND PROCEDURES  
FOR THE DISPOSAL OF REAL PROPERTY**

**I. PURPOSE**

The purpose of these Guidelines and Procedures for the Disposal of Real Property ("Guidelines"), which comply with Title 5-A, Article 9 of the Public Authorities Law, is to establish the procedures which detail the Authority's operative policy and instructions regarding the disposal of real property and designate a contracting officer who is responsible for the Authority's compliance with, and enforcement of, such Guidelines.

**II. DEFINITIONS**

2.1 "Contracting Officer" shall mean the officer or employee of the Authority who shall be appointed by resolution of the Authority's Trustees to be responsible for enforcement of the Guidelines for the Disposal of Real Property. The "Contracting Officer" is hereby designated to be the Senior Vice President – Enterprise Shared Services, or equivalent(s) or designee.

2.2 For the purposes of these Guidelines, "Dispose" or "Disposal" shall mean transfer of title or any other beneficial interest in real property in accordance with these Guidelines. Disposal does not include a release of an easement.

- 2.3 For the purposes of these Guidelines, "Real Property" shall mean real property, including land, tenements and hereditaments owned by the Authority, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.
- 2.4 The term "Relative" shall mean any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee's grandparents or the spouse of such descendant as referred to in Subsection 5.11.1.

### **III. CONTROLLING LEGISLATION**

The Public Authorities Accountability Act of 2005 ("PAAA") requires the Authority to establish policy guidelines to accomplish the following:

- 3.1 Maintain inventory controls and accountability systems for all Real Property under the Authority's control.
- 3.2 Periodically inventory Authority Real Property to determine which Real Property shall be Disposed of.
- 3.3 Dispose of Authority Real Property interests in accordance with the PAAA.
- 3.4 Prepare annual reports of Real Property Disposal transactions.

**IV. DUTIES OF THE DIRECTOR OF REAL ESTATE**

- 4.1 The Director of Real Estate or equivalent(s) or designee shall maintain adequate inventory controls and accountability systems for all Real Property under the Authority's control.
- 4.2 The Director of Real Estate or equivalent(s) or designee shall annually inventory Authority Real Property to determine which Authority Real Property shall be Disposed of and shall prepare a report identifying such Real Property for Disposal.
- 4.3 The Directory of Real Estate or equivalent(s) or designee shall produce for publishing written reports of such Real Property as set forth in Article VI of these Guidelines.
- 4.4 The Director of Real Estate or equivalent(s) or designee shall arrange for the Disposal of any Real Property identified for Disposal by the Authority in accordance with these Guidelines and the Authority's Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.

**V. DISPOSITION OF REAL PROPERTY**

- 5.1 The Authority may Dispose of Real Property for not less than the fair market value of such Real Property by sale, exchange, or transfer, for cash, credit or other property, without warranty, and upon such other terms and conditions as the Contracting Officer deems proper under the provisions of the PAAA and as implemented by these Guidelines. Fair market value of the Authority Real Property subject to Disposal shall be established by independent appraisal as

appropriate and consistent with the intent of the PAAA . Such appraisal documents shall be included in the record of the Real Property Disposal transaction.

5.2 Except as set forth in Section 5.3 of the Guidelines, any Disposal of Real Property shall only be made after publicly advertising for bids in accordance with the following:

5.2.1 the advertisement for bids shall be made at such time prior to the Disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Real Property;

5.2.2 all bids shall be publicly disclosed at the time and place stated in the advertisement; and

5.2.3 the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Authority, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

5.3 The Disposal of Authority Real Property may be negotiated or made by public auction without regard to Section 5.2 but subject to obtaining such competition as is feasible under the circumstances, if:

5.3.1 the fair market value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00);

- 5.3.2 bid prices after advertising therefore are not reasonable, either as to all or some part of the Real Property, or have not been independently arrived at in open competition;
- 5.3.3 the Disposal will be to the state or any political subdivision, and the estimated fair market value of the Real Property and other satisfactory terms of Disposal are obtained by negotiation;
- 5.3.4 the Disposal is for an amount less than the estimated fair market value of the Real Property, the terms of such Disposal are obtained by public auction or negotiation, the Disposal of the Real Property is intended to further the public health, safety or welfare or an economic development interest of the state or a political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the Authority's enabling legislation permits), and the purpose and the terms of such Disposal are documented in writing and approved by the Authority's Trustees; or
- 5.3.5 such action is otherwise authorized by law.

5.4 An explanatory statement detailing the Disposal by negotiation of Authority Real Property subject to the PAAA as set forth in Section 5.3 shall be made for any Disposal of:

5.4.1 Real Property with a fair market value in excess of one hundred thousand dollars (\$100,000.00) except that Real Property Disposed of by lease or exchange shall only be subject to 5.4.2 through 5.4.4 of this Section 5.4;

5.4.2 Real Property leased for a term of five years or less, if the estimated fair annual rent exceeds one hundred thousand dollars (\$100,000.00) for any of such years;

5.4.3 Real Property leased for a term of more than five years if total estimated rent over term is in excess of one hundred thousand dollars (\$100,000.00); and

5.4.4 Any Real Property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration is for Real Property:

5.5 Each explanatory statement prepared in accordance with Section 5.4 above shall be transmitted to the State Comptroller, the Director of the Budget, the Commissioner of General Services, and the State Legislature not less than 90 days in advance of such Disposal, and a copy shall be kept by the Authority.

- 5.6 In the Authority's discretion, when it shall be deemed advantageous to the Authority and the State, the Authority may enter into an agreement with the Office of the Commissioner of General Services ("OGS") under which OGS may Dispose of the Authority's Real Property under terms and conditions agreed to by the Authority and the OGS. In Disposing of any such Real Property of the Authority, the OGS shall be bound by the relevant provisions of the PAAA.
- 5.7 The Guidelines shall not apply to any transfers of jurisdiction by the Authority pursuant to Public Lands Law §3(4).
- 5.8 The Director of Real Estate or equivalent(s) or designee shall provide all relevant documentation to the Environmental Division for the purposes of determining, if applicable, whether the Disposal of Real Property is in compliance with the State Environmental Quality Review Act, and for whether it adheres to the American Society of Testing and Material's guidelines for Environmental Site Assessments, if applicable.
- 5.9 No Authority employee who is involved in the award of Authority grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or grantee(s) to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

5.10 No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.9 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.

5.11 No Authority employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

5.11.1 For purposes of this Section 5.11, the term "Relative" is defined in Section 2.4 of these Guidelines.

**VI. AUTHORITY REAL PROPERTY REPORTS**

6.1 The Director of Real Estate or equivalent(s) or designee shall publish the following two separate reports in accordance with these Guidelines:

6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Director of Real Estate shall furnish a report for incorporation in the Authority's annual report which is distributed to the Governor, the Senate Finance Committee, the Assembly Ways and Means Committee, and the State Comptroller. This report shall include: (a) a listing of all Authority Real Property having an estimated fair market value greater than fifteen thousand dollars (\$15,000.00) that the Authority intends to Dispose of; (b) a listing of all Real Property having an estimated fair market value greater than fifteen thousand dollars (\$15,000.00) intended for Disposal but still owned by the Authority at the end of the fiscal reporting period; and (c) a listing of all Real Property having an estimated fair market value greater than fifteen thousand dollars (\$15,000.00) Disposed of during the fiscal reporting period including the name of the purchaser of the Real Property and the price paid for the Real Property.

6.1.2 Pursuant to Public Authorities Law § 2896(3)(a), the Director of Real Estate or equivalent(s) or designee shall prepare for distribution to the State Comptroller, the Director of the Budget, the Commissioner of General Services, and the State Legislature, an annual report which shall consist of a list and description of all

Real Property including such Real Property Disposed of during the fiscal reporting period. Regarding Disposals, this annual report shall include the price received by the Authority and the name of the purchaser of the Real Property.

- 6.2 The Authority may be called upon periodically to submit information regarding the Disposal of Real Property to organizations implementing the PAAA or other statutes regulating the Disposal of Real Property.
- 6.3 The Authority's Governance Committee meets at least three times per year and staff from Enterprise Shared Services – Real Estate or the equivalent(s) may prepare and present ongoing reports regarding the Disposal of Real Property.

## **VII. APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD**

- 7.1 The Guidelines shall be annually reviewed and approved by the Authority's Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the most recently reviewed and approved Guidelines, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the State Comptroller, the Authority shall also post such Guidelines on its internet website.

## **VIII. REFERENCES**

- 8.1 Chapter 766 of the Laws of 2005
- 8.2 Public Lands Law §3 (4)
- 8.3 Chapter 14 of the Laws of 2007

**Exhibit “”**  
**March 31, 2009**

**GUIDELINES**

**AND**

**PROCEDURES**

**FOR THE**

**ACQUISITION OF REAL PROPERTY**

## INDEX

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# **GUIDELINES AND PROCEDURES FOR THE ACQUISITION OF REAL PROPERTY**

## **I. PURPOSE**

1.1 These Guidelines and Procedures for the Acquisition of Real Property (“Guidelines”), which comply with Title 2, Article 9 of the Public Authorities Law, establish the procedures which detail the Authority’s policy and instructions regarding the acquisition of real property and designate a contracting officer who is responsible for the Authority’s compliance with, and enforcement of, such Guidelines.

## **II. DEFINITIONS**

2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be responsible for enforcement of the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Senior Vice President – Enterprise Shared Services, or the equivalent(s), or designee.

2.2 “Acquisition” or “Acquire” shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

2.3 “Real Property” shall mean real property, including land, tenements and hereditaments owned by the Authority, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any

purpose, excluding an interest securing a loan or other financial obligation of another party.

- 2.4 “Relative” is any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Article 5 of these Guidelines.

### **III. CONTROLLING LEGISLATION**

- 3.1 These Guidelines are being adopted consistent with the Public Authorities Accountability Act of 2005 (“PAAA”).
- 3.2 The Authority may Acquire Real Property through purchase, eminent domain, state transfers of jurisdiction, lease and by other legal means.
- 3.3 The Authority’s New York statutory authority for land acquisition includes, without limitation, the Public Authorities Law, the Real Property Law, the Public Lands Law, the Eminent Domain Procedure Law and the Highway Law, as amended.

### **IV. DUTIES OF THE DIRECTOR OF REAL ESTATE**

- 4.1 The Director of Real Estate or the equivalent(s) or designee will maintain adequate inventory controls and accountability systems for all Real Property under the Authority’s control.
- 4.2 Real Property to be Acquired by the Authority will be in support of existing operating

and transmission facilities or in support of new initiatives being pursued by the Authority. The Director of Real Estate or the equivalent(s) or designee will, in consultation with the other appropriate Authority staff (by oral or written communication), determine what Lands are necessary or convenient for Acquisition by the Authority.

4.3 The compensation for and the procedure for such Acquisition must be consistent with these Guidelines and the Authority's Real Estate Expenditure Authorization Procedures as amended.

4.4 The Director of Real Estate or the equivalent(s) or designee will arrange for the transfer or Acquisition of any Real Property identified for Acquisition by the Authority in accordance with these Guidelines and the Authority's Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.

4.5 The Director of Real Estate or the equivalent(s) or designee will provide all relevant documentation to the Authority's Environmental Division to determine whether the Acquisition of Real Property is in compliance with the State Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

**V. ETHICAL CONSIDERATIONS**

5.1 No Authority employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

5.2 No Authority employee may take part in any Acquisition decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

5.2.1 For purposes of this Section 5.2, the term “Relative” is defined in Section 2.4 of these Guidelines.

## **VI. ACQUISITION REPORTS BY THE AUTHORITY**

6.1 The Director of Real Estate or the equivalent(s) or designee will publish, at each meeting of the Authority’s Governance Committee, a report detailing the Acquisitions of Real Property occurring in accordance with these Guidelines

since the prior Governance Committee meeting.

- 6.2 The Authority may be called upon periodically to submit information regarding the Acquisition of Real Property to organizations implementing the PAAA or other statutes regulating the Acquisition of Real Property, such as the Authority Budget Office through the Public Authorities Reporting System (“PARIS”).
- 6.3 The Authority’s Governance Committee meets at least three times per year and staff from Enterprise Shared Services – Real Estate or the equivalent may, upon request, prepare and present ongoing reports regarding the Acquisition of Real Property.

## **VII. REFERENCES**

- 8.1 Chapter 766 of the Laws of 2005
- 8.2 Public Lands Law §3 (4)

**EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT A**

**APPROVAL LIMITS - REQUISITIONS FOR COMMITMENTS**

**NON-PERSONAL SERVICES, CONSTRUCTION, EQUIPMENT PURCHASES AND NON-PROCUREMENT CONTRACTS**

	<u>IF AWARDED TO:</u>		<u>IF AWARDED TO:</u>		<u>CUMULATIVE</u>	
	<u>LOW BIDDER</u>		<u>NON-LOW BIDDER /</u>		<u>CHANGE ORDER</u>	
			<u>SOLE SOURCE</u>		<u>LIMIT *</u>	
					* subject to 25% rule-see pg. 4	
RES. CONSTR. MGR., SR. CONSTR. ENG. or SR. ON-SITE NYPA EMPLOYEE	TO	\$25,000	TO	\$25,000	TO	\$25,000
FACILITY MGR-F&A, FACILITY SUPERINTENDENTS or DEPARTMENT HEADS	TO	\$100,000	TO	\$50,000	TO	\$50,000
REGIONAL or CEC GENERAL MANAGER	TO	\$250,000	TO	\$100,000	TO	\$100,000
PROJECT MGR., SR. PROJECT MGR. or DIVISION HEAD (HQ)	TO	\$250,000	TO	\$100,000	TO	\$100,000
BUSINESS UNIT HEAD (HQ)	TO	\$1,500,000	TO	\$1,000,000	TO	\$1,000,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	TO	\$3,000,000	TO	\$3,000,000	TO	\$3,000,000
TRUSTEES	OVER	\$3,000,000	OVER	\$3,000,000	OVER	\$3,000,000

Trustee approval is also required when:

1. Term of a Non-Personal Services or Construction contract exceeds one year, including any extensions or options.
2. The initial term of less than 1 year for Non-Personal Services or Construction contracts extends beyond 1 year.
3. Cumulative Change Orders exceed the greater of \$1 million or 25% of the original amount approved.
4. Any and all cumulative Change Orders exceed \$3 million.

**EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT B**

**APPROVAL LIMITS - REQUISITIONS FOR PERSONAL SERVICES CONTRACTS**

**(Including Fuels-related Consulting and other Personal Services Contracts)**

	<b><u>IF LESS THAN 1 YEAR AND AWARDED TO:</u></b>				<b><u>CUMULATIVE CHANGE ORDER LIMIT *</u></b>	
	<b><u>LOW BIDDER</u></b>		<b><u>NON-LOW BID / SOLE SOURCE</u></b>			
<b>FACILITY MGR-F&amp;A, FACILITY SUPERINTENDENTS or DEPARTMENT HEADS</b>	<b>TO</b>	<b>\$50,000</b>	<b>TO</b>	<b>\$25,000</b>	<b>TO</b>	<b>\$25,000</b>
<b>REGIONAL or CEC GENERAL MGR.</b>	<b>TO</b>	<b>\$100,000</b>	<b>TO</b>	<b>\$50,000</b>	<b>TO</b>	<b>\$50,000</b>
<b>PROJECT MGR, SR. PROJECT MGR. or DIVISION HEAD (HQ)</b>	<b>TO</b>	<b>\$100,000</b>	<b>TO</b>	<b>\$50,000</b>	<b>TO</b>	<b>\$50,000</b>
<b>BUSINESS UNIT HEAD (HQ)</b>	<b>TO</b>	<b>\$500,000</b>	<b>TO</b>	<b>\$250,000</b>	<b>TO</b>	<b>\$250,000</b>
<b>PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER</b>	<b>TO</b>	<b>\$1,000,000</b>	<b>TO</b>	<b>\$500,000</b>	<b>TO</b>	<b>\$500,000</b>
<b>TRUSTEES</b>	<b>OVER</b>	<b>\$1,000,000</b>	<b>OVER</b>	<b>\$500,000</b>	<b>OVER</b>	<b>\$500,000</b>

\* subject to 25% rule-see pg. 4

Trustee approval is also required when:

1. Term of a Personal Services Contract, including any extensions or options exceeds 1 year.
2. The initial term of less than 1 year for a Contract extends beyond 1 year.
3. Cumulative Change Orders exceed the greater of \$500,000 or 25% of the original amount approved.
4. Any and all cumulative Change Orders exceed \$500,000.

**EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT C**

**APPROVAL LIMITS FOR SIGNING**  
**(Includes all Purchase Orders / Contracts and Change Orders)**

**OPERATING PROJECTS:**

FACILITY PURCHASING MANAGEMENT STAFF	Purchases <sup>1</sup> /Contracts <sup>2</sup>	TO	\$5,000
PURCHASING/WAREHOUSE MGR	"	TO	\$25,000
FACILITIES MATERIALS SUPERINTENDENT	"	TO	\$250,000
REGIONAL or CEC GENERAL MGR. or DESIGNEE <sup>3</sup>	"	TO	\$250,000
DIRECTOR OF FLEET OPERATIONS	Disposal / Sales Agreements Only	TO	\$250,000

**HEADQUARTERS:**

PROCUREMENT AGENT / SPECIALIST	Purchases <sup>1</sup> /Contracts <sup>2</sup>	TO	\$25,000
SR. PROCUREMENT AGENT	"	TO	\$100,000
LEAD PROCUREMENT AGENT	"	TO	\$250,000
DIRECTOR / MANAGER OF PROCUREMENT	"	TO	\$500,000
VP - PROCUREMENT	"	TO	\$10,000,000
SVP – ENTERPRISE SHARED SERVICES <sup>4</sup>	Fleet / Real Estate Transactions	TO	\$10,000,000
PRESIDENT, CHAIRMAN, or CHIEF OPERATING OFFICER	Purchases <sup>1</sup> / Contracts <sup>2</sup>	OVER	\$10,000,000

- Notes: 1. The term “Purchases” refers to Commitments for Equipment or Materials only, and includes Change Orders of same dollar value.
2. The term “Contracts” refers to Commitments for Non-Personal Services, Personal Services, Equipment or Construction Work, as well as Non-Procurement Contracts, and includes Change Orders of same dollar value.
3. Designees may include Facility Manager – Finance & Administration, MRM Superintendent or Operations Superintendent, in the absence of the Regional Manager. All designations need to be in writing.
4. The Senior Vice President - Enterprise Shared Services is authorized to sign commitments for Fleet and Real Estate Transactions and up to the VP – Procurement’s level in the latter’s absence.

**\* "25 % RULE" for CHANGE ORDER APPROVALS AND REBIDDING THRESHOLDS**

1. A) For contracts with initially approved amounts of **\$100,000 or less**, rebidding will occur when the total cumulative value of change orders exceeds \$25,000.  
B) **If rebidding is not feasible**, any request to increase funding for such contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the \$25,000 threshold. The memorandum shall be approved by the initiating Business Unit Head and forwarded to the VP Procurement for review and final approval.
2. A) For contracts with initially approved amounts **exceeding \$100,000**, rebidding will occur when the total value of such contracts, including change orders, exceeds the greater of 25% or not-to-exceed \$1 million for Non-Personal Services, Equipment, Construction and Non-Procurement Contracts\* or exceeds the greater of 25% or not-to-exceed \$500,000 for Personal Services Contracts\*  
B) **If rebidding is not feasible**, any request to increase funding for such Contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the 25% threshold. The memorandum shall be signed by the initiating Business Unit and forwarded to the VP Procurement for review prior to transmittal to the President or Chief Operating Officer for final approval.  
Also, change orders for non-personal services, construction, equipment, or non-procurement contracts with a cumulative value of \$3 million or greater require Trustee approval, as well as any cumulative change orders for personal services over \$500,000.
3. Rebidding should commence as soon as it is recognized that the contract value will exceed these thresholds, even if the term of the contract is not complete.
4. Once the approval of funding in excess of the 25% threshold is received , any subsequent increase in funding requires an additional memorandum for the President's or Chief Operating Officer's approval, until either Trustee approval is obtained or the contract is rebid.
5. Typical bases for additional funding in excess of the 25% threshold include an "emergency condition" (as defined in the Authority's Guidelines for Procurement Contracts) which necessitates the additional funding; a situation where it is impractical to rebid (e.g., a construction project where it would not be reasonable to change contractors or other reasons as provided for in the Procurement Guidelines).
6. Underestimating the scope of a contract or failure to rebid in a timely fashion are not acceptable reasons for extending a contract or increasing its value by more than 25%.

\*The term "Contracts" as used in above policy refers to any and all Commitments for the purchase of goods or services made by NYPA.

**ATTACHMENT D**  
**DELEGATION OF APPROVAL FOR CLAIMS SETTLEMENT AND PAYMENT FOR REAL ESTATE**

	<u>Director of Real Estate</u>	<u>SVP - Enterprise Shared Service</u>	<u>President</u>	<u>Chairman</u>	<u>Trustees</u>
<b>A) Settlement of Claims resulting from:</b>					
1) Acquisition of Real Property: <sup>(1) (2)</sup>					
(a) If AV <sup>(3)</sup> is \$ 20,000 or less:	150 % of AV or AV + \$ 2,000	200% of AV or AV + \$6,000	Anything in excess		
(b) If AV is \$ 200,000 or less:	125% of AV	150% of AV	175% of AV	200% of AV	Anything in excess
(c) If AV is \$ 500,000 or less:	110% of AV	120% of AV	135% of AV	150% of AV	Anything in excess
(d) If AV is \$1,000,000 or less:	AV	110% of AV	135% of AV	150% of AV	Anything in excess
(e) If AV is more than \$1,000,000:		AV	120% of AV	125% of AV	Anything in excess
2) Agricultural Damages and Mitigation:	\$20,000	\$100,000	\$300,000	\$500,000	Anything in excess
3) Miscellaneous Damages:	\$20,000	\$50,000	\$100,000	\$300,000	Anything in excess
4) Radio & TV Interference; Audible Noise:	\$20,000	\$50,000	\$100,000	\$300,000	Anything in excess
<b>B) Advance Payments for Acquisition of Real Property:</b>	100% of AV with concurrence of General Counsel if over \$100,000.				
<b>C) Disposal of Improvements on Land Acquired:</b>	(a) Sale back to owner at estimated salvage value for relocation. (b) Private sale to occupant at estimated salvage value for relocation. (c) Public sale to highest bidder for relocation. (d) Turn over to Resident manager for demolition.				
<b>D) Leases</b>	Two year term plus two year renewal option \$30,000 annual rent	Three year term plus three year renewal option \$50,000 annual rent	Five year term plus five year renewal option \$100,000 annual rent	Five year term plus five year renewal option \$200,000 annual rent	Anything in excess Anything in excess
<b>E) Options for Purchase of Real Property and Permits for Use of Property Owned by Others or for Use of Authority Property by Others <sup>(2)</sup>:</b>	\$10,000 option or permit payment	\$20,000 option or permit payment	\$40,000 option or permit payment	\$100,000 option or permit payment	Anything in excess
<b>F) Annual Payment in Lieu of Taxes <sup>(4)</sup>:</b>	\$10,000 per parcel	\$50,000 per parcel	\$100,000 per parcel	\$300,000 per parcel	Anything in excess
<b>G) Contracts for dispositions of nominal Fee and Easement interests in real property <sup>(5)</sup></b>	\$3,000 per parcel	\$8,000 per parcel	\$10,000 per parcel		Anything in excess

(1) Only upon approval by the Trustees of the acquisition.

(2) All actions will be reported to the Trustees in January and July.

(3) AV = Appraised Value.

(4) Only upon approval by Trustees to make payment in lieu of taxes for the specific project.

(5) As previously approved by the Trustees on May 23, 1995

## **Review and Recommendation of Guidelines for Executive Search, Recruitment and Hiring**

Ms. Tursi provided the Committee with an overview of the Board of Trustees/Committee Guidelines for Executive Search, Recruitment and hiring that staff developed in response to a directive given by the Authority's Governance Committee at their Special Meeting of December 30, 2008.

The Guidelines lay out the practices to be used when the Board of Trustees or Audit or Governance Committees are involved in hiring and/or review of the compensation or benefits of Authority statutory and non-statutory officers, the Inspector General, the head of the Office of Internal Audit, and Executive Band-level employees. The aim of the Guidelines is to ensure a consistent and fair recruitment process.

- a) Prior to initiating a search to fill such positions, a statement of justification or need for the position is to be prepared and signed by the Vice President of Human Resources, Executive Vice President and Chief Administrative Officer, Chief Operating Officer and President and Chief Executive Officer.
- b) The position description will be provided to the Board/Committee.
- c) Recruitment will be done through a combination of internal and external postings, and contacts with professional associations and organizations, educational institutions and recruitment organizations, as necessary.
- d) All prospective candidates will be requested to complete an application form and submit a résumé.
- e) The Authority's Recruitment and Job Posting policy (EP 1.2) will be followed to the extent it is applicable.
- f) To the extent practicable, the applications and résumés of at least three applicants will be provided to the Board/Committee.
- g) At least two of the three applicants will be interviewed by the applicable Committee, Chief Operating Officer and President and Chief Executive Officer before any recommendation for selection is made.
- h) At the conclusion of the interview process, the applicable Committee may recommend a candidate to be selected or decline to do so if they are not satisfied with the candidates.
- i) Any such recommendations must be presented to the appointing authority at least 10 days prior to any regular or special meeting.
- j) All successful candidates must comply with the Authority's regular background check and other processes prior to approval.

Mr. Quiniones said that these guidelines had been developed by staff in response to a resolution passed by the Governance Committee at its Special Meeting on December 30,

2008 calling for the executive search, recruitment and hiring process to be standardized and documented. Responding to a question from Chairman Nicandri, Mr. Quiniones said that staff was asking the Governance Committee to recommend to the full Board of Trustees that the guidelines be adopted. In response to a question from Trustee Cusack, Mr. Quiniones said that while the Authority does have a recruitment policy, the Governance Committee had indicated that a separate policy for executive-level employees was needed. Responding to another question from Chairman Nicandri, Mr. Quiniones said that former Trustee James Besha had not provided input to the proposed guidelines. Trustee Cusack said that she thought the draft was a great start.

## 5. Recent Developments and Status of Authority's Ethics Programs

Mr. Joseph Gryzlo provided an overview of the Ethics Office's key initiatives, saying that the principal substantive issues arising under the Ethics Law and/or the Authority's Code of Conduct included various allegations, questions about outside employment and post-Authority employment, gifts, conflict of interest/appearance of impropriety and inquiries related to securities. He said that the outside and post-employment inquiries from current and former employees are evaluated on a case-by-case basis and include collaboration with the employees' supervisors and other stakeholders. Mr. Gryzlo said that last October an employee at one of the Authority's generating facilities had raised ethics concerns about the employee's supervisor. The Ethics Office collaborated with the site Human Resources staff to investigate the matter, conducting interviews with the employee, the supervisor and others and conducting an extensive review of documents. It was determined that some of the allegations were substantive and recommendations for corrective actions were provided to the Business Unit head. The Ethics Office also reported back to the employee making the allegations, although not in great details because of privacy concerns. In response to a question from Trustee Cusack about the low number of ethics issues raised at the Niagara plant, Mr. Gryzlo said that the number is most likely low because the overwhelming majority of employees at Niagara are union employees whose method of dealing with these types of issues is through the collective bargaining agreement's grievance process.

The Ethics Office's annual gifts memo was distributed to all Authority employees in early December 2008 to reaffirm the prohibition relating to employees' receipt or solicitation of gifts or gratuities from contractors, vendors and other disqualified sources. As in years past, employees have contacted the Ethics Office more frequently to discuss the legal standard and its interpretation.

The Ethics Office submitted the required annual financial disclosure report to the Commission on Public Integrity ("CPI") listing 168 policy makers and 480 required filers, approximately 25% of the Authority's staff. All employees holding designated "policy-making" positions and those whose annual salaries exceed \$84,863 as of April 1, 2009 are required to file financial disclosure forms with CPI by May 15, 2009. Approximately 230 employees with either personal or title exemptions are not required to do the annual filing. In an effort to minimize the costs associated with running this program, CPI is going to e-mail all correspondence directly to filers. In response to a question from Trustee Cusack, Mr. Gryzlo said that the Authority had provided CPI with the Trustees' home e-mail addresses. Responding to another question from Trustee Cusack, Mr. Gryzlo said that the Authority follows up with required filers to ensure that they have complied with the May 15<sup>th</sup> filing requirement and that the Authority has a tracking system that promptly indicated whether someone has filed. Trustee Cusack thanked the Ethics Office staff for the great job they do in providing timely reminder to the Trustees.

Training identifying and interpreting both the two-year and lifetime post-employment restrictions was provided to Authority staff in December 2008. All employees with computer access, including those represented by bargaining units, were required to complete the training online. Bargaining unit employees without assigned computer access were provided with a hard copy of the training. To date, 99% of employees with assigned computer access have completed

the training and 95% of employees without assigned computer access received hard copies of the training. In the third quarter of 2009, training introducing the Authority's revised Code of Conduct will be delivered in the same manner as the 2008 training. Mr. Gryzlo said that the revised Code of Conduct would be drastically different from the most recent version, incorporating not only standards of conduct but also performance consequences and remedies. He said that for the first time the bargaining unit employees would be included in the Code of Conduct.

**6. Inspector General Report**

Mr. Albert Swansen presented the Office of the Inspector General's ("OIG") 2008 year-end report. During 2008, the OIG conducted 29 case investigations, 16 fewer than in 2007. He said that since the White Plains Office has more employees than any other single Authority site, the greatest number of investigations (17 in 2008) take place there. Mr. Swansen said that no additional requests for information had been forthcoming from the New York State Office of the Inspector General about an investigation into a former Authority employee's alleged misconduct. He said that the OIG had conducted 22 lead investigations, all of them at the White Plains Office, in 2008, compared with the same number in 2007 and 30 in 2006.

**GOVERNANCE COMMITTEE  
REPORT**

**OFFICE OF THE  
INSPECTOR GENERAL  
2008 YEAR END REPORT**

## **The Mission of the Inspector General**

The Office of the Inspector General serves in a dual capacity in its mission of preventing waste, fraud, abuse and corruption in addition to its role of directing corporate security. In performing those roles the OIG has been responsible for addressing significant changes in such areas, and assisting in the development of new, policies and procedures in both regulatory and security matters within the Authority.

# NYPA INTERNAL COMMITTEES

## *RELATED TO OIG MISSION*

- Executive Management
- Governance Committee
- NERC CIP Standards
- Pandemic Planning
- Violence in the Workplace
- Emergency Action Plans Annual exercises
- Business Continuity
- Enterprise Wide Risk Assessment
- Serve as contact for NYS SEMO for Emergency Coordination of Services and Reimbursement

# ADVISORY AND PUBLIC SERVICE COMMITTEES

**OIG staff serves on advisory and public service committees with Federal and State Homeland Security and other regulatory entities. These committees and task forces provide industry specific guidance to regulatory agencies to ensure that the interests of the Authority are protected. OIG provides a point of contact with Federal, State, and Local Authorities having responsibility and jurisdiction where NYPA facilities are located. Committees and task forces include:**

**INTER-UTILITY TASK FORCE-** New York State electrical utilities group that meets quarterly to discuss common issues facing the industry in regards to security and regulatory issues.

**Governor's Homeland Security Executive Council-** organized through NYSOHS, agency heads meet to facilitate action to solve problems facing the state and individual participants by mitigating red tape and bureaucratic hurdles by providing leaders with direct access to each other.

**FERC Security Task Force-**Comprised of major dam owners from throughout the country subject to FERC regulation. Advises FERC on Security mandates and concerns of the dam owners. Assists in setting FERC policies regarding dam safety and security to ensure that regulations are realistic and workable.

**NYC OEM-** Staff attends meetings to address such issues as hurricane preparedness, emergency access and pre-credentialing, and emergency planning.

**DHS DSCC-**Staff serves on USDHS committee as defined by Presidential Directive. The committee has authored advisory manuals on physical security, security awareness and crisis management for the Dams Sector. The committee advises USDHS on Security concerns and issues facing the Dam sector and receives periodic classified briefings by DHS and other intelligence agencies as to current threats and trends.

**NYS Business Council Homeland Security-** NYS business sector group addressing Homeland Security issues as they relate to NY based businesses.

# SECURITY ACTIVITIES

- OIG staff, with the assistance of Engineering, Site Security and Operations departments, conducts ongoing risk and vulnerability assessments and plans and implements security upgrades in response to changing trends and world events.
- Performs physical security assessments at sites to ensure that all identified critical cyber assets are within a secure physical security perimeter in accordance with NERC Regulations
- Coordinate all National Incident Management System (NIMS) and Incident Command System (ICS) training for Corporate and Site Security Staff

# Cases and Leads

**The OIG classifies cases according to the time and resources expended to bring them to a successful conclusion, either founded or unfounded, as well as the severity of the infraction or misconduct. Classifications are assigned according to the following criteria:**

**Case Investigations-** A case investigation is defined as any investigation of a serious infraction or misconduct that requires a substantial investment of time, effort and utilization of complex investigative resources which could include internal NYPA business units, official Law Enforcement Agencies, prosecutorial and other state agencies.

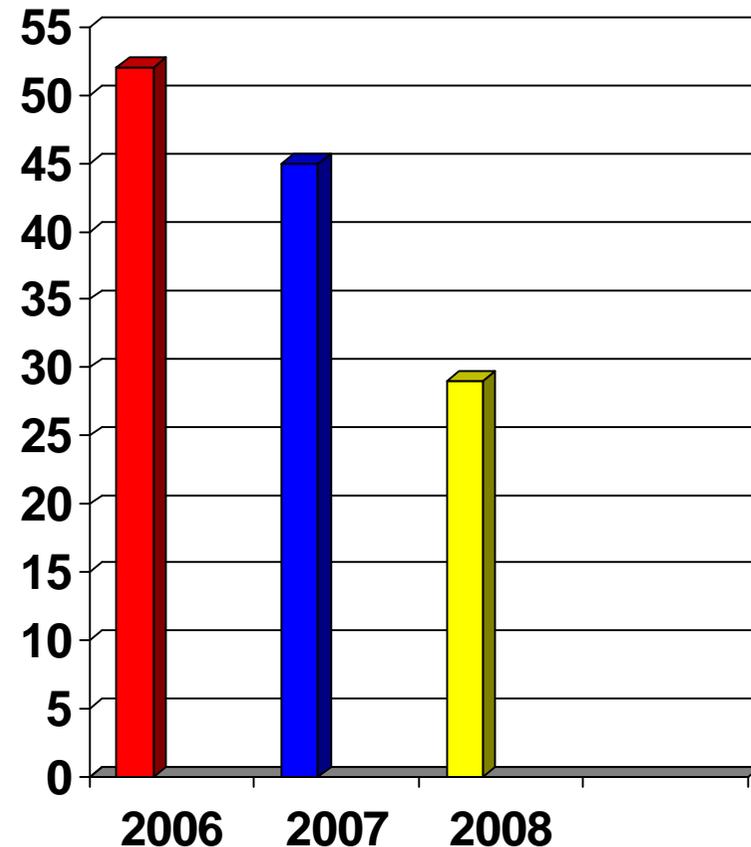
**Lead Investigations-** A lead investigation is defined as a less severe infraction or misconduct that requires a lesser amount of investigative or corrective action and can usually be accomplished in a shorter period of time utilizing less manpower and resources.

**In addition to case and lead investigations the OIG handled 115 incidents at the WPO Corporate Offices that were not classified as either cases or leads. These issues included medical emergencies, accidents, access control issues, property damage and other miscellaneous issues.**

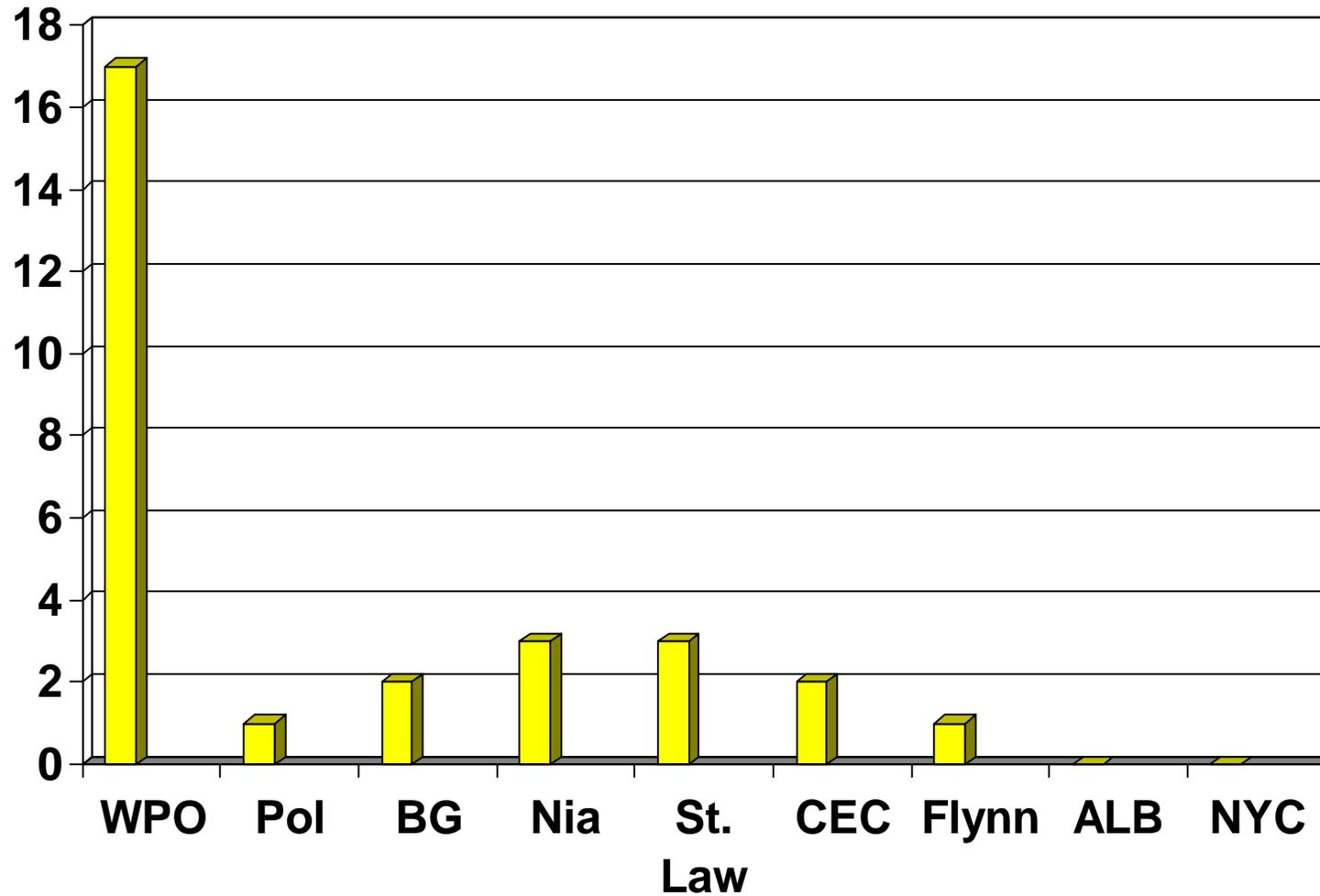
# 2008 OIG CASE INVESTIGATIONS

- The OIG has conducted 29 case investigations in 2008.

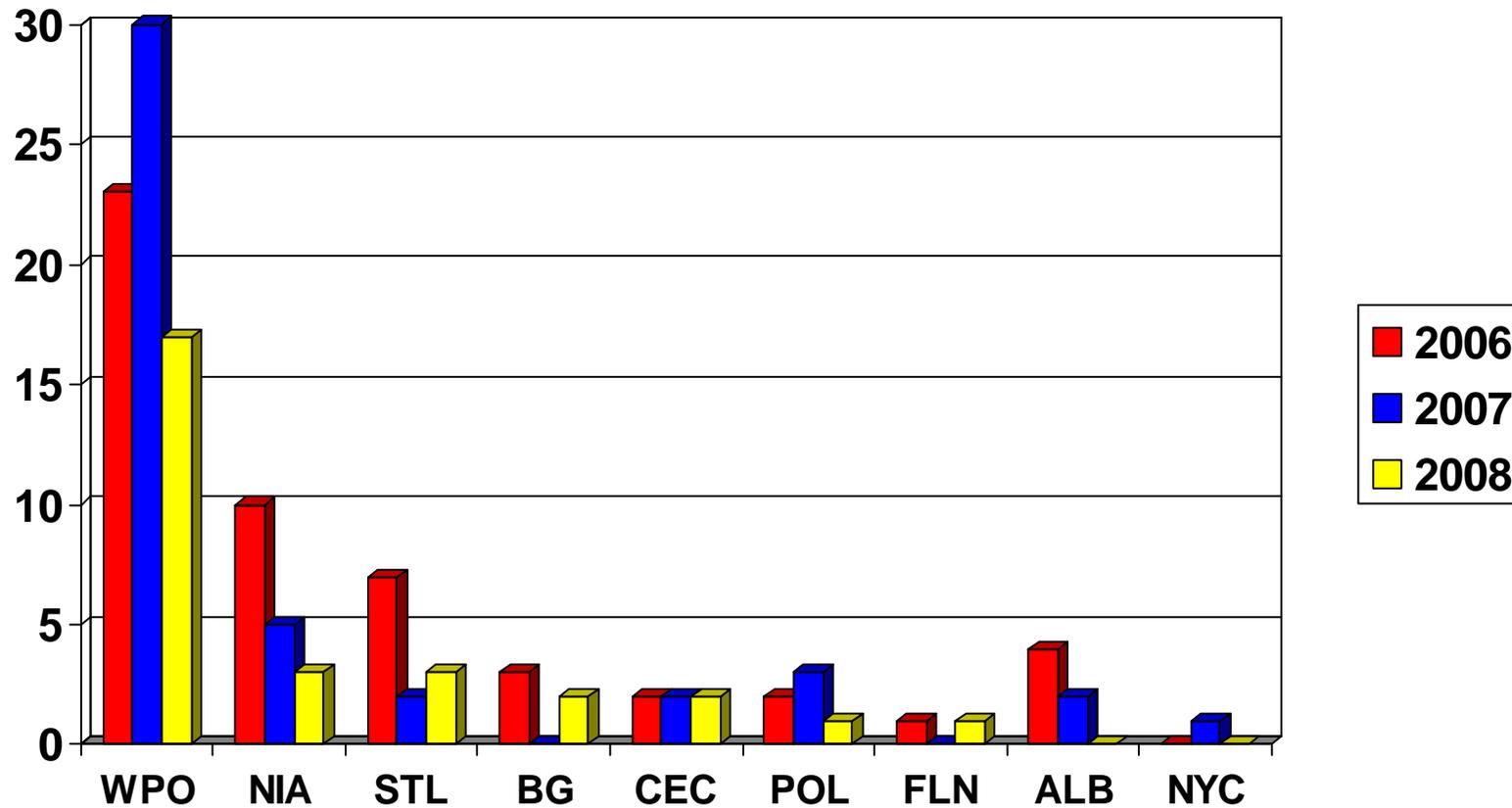
Total case investigations have decreased from 2006 and 2007 as indicated.



# 2008 Case Investigations by site

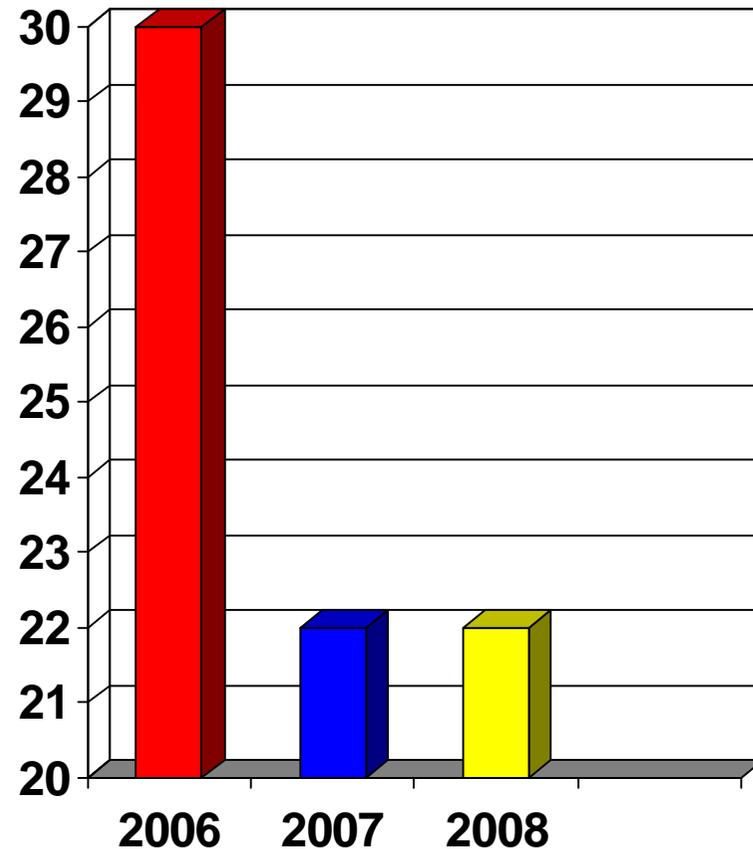


# 2006, 2007 AND 2008 Case Investigations Comparison by Site

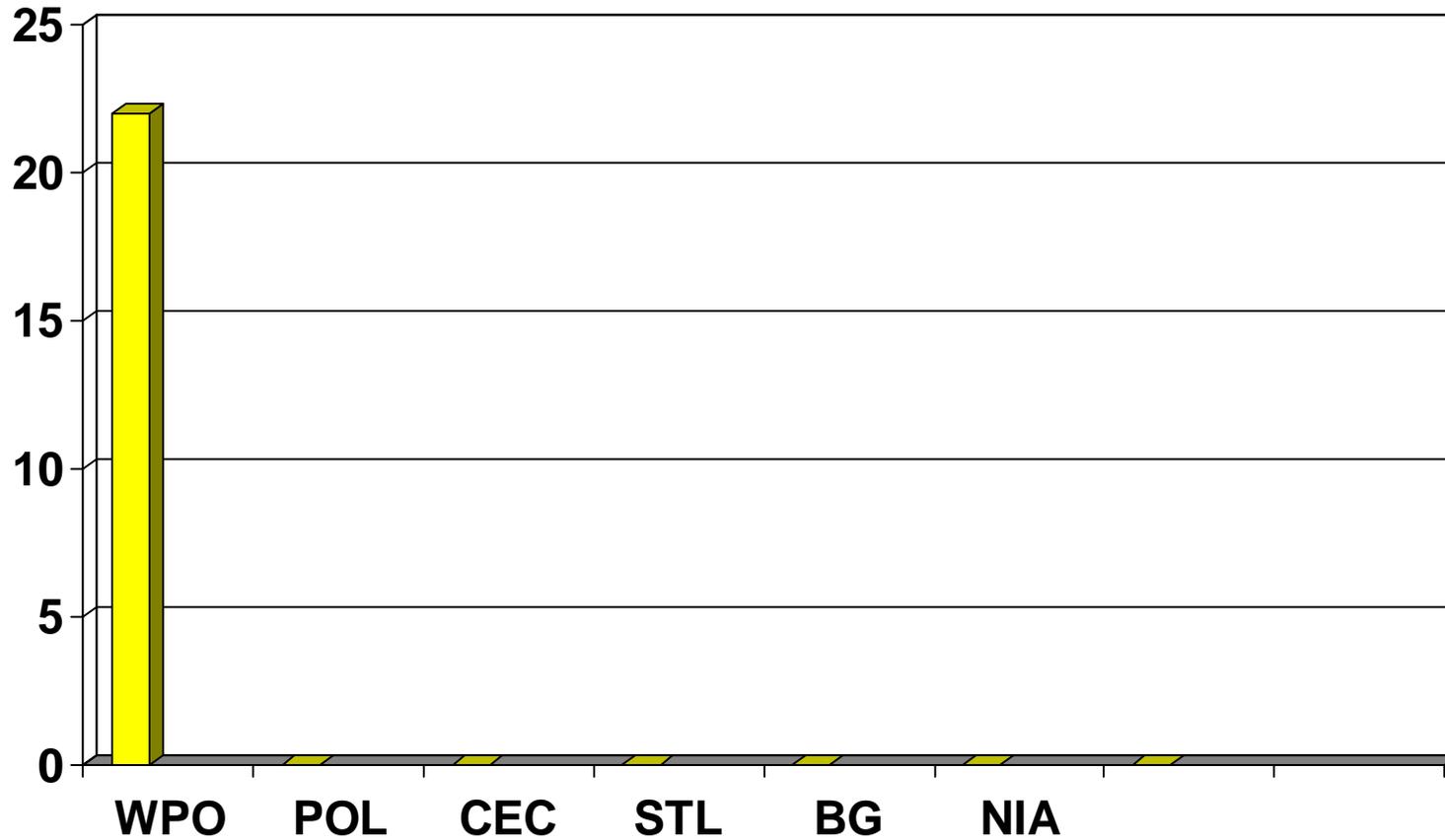


# 2008 OIG Leads

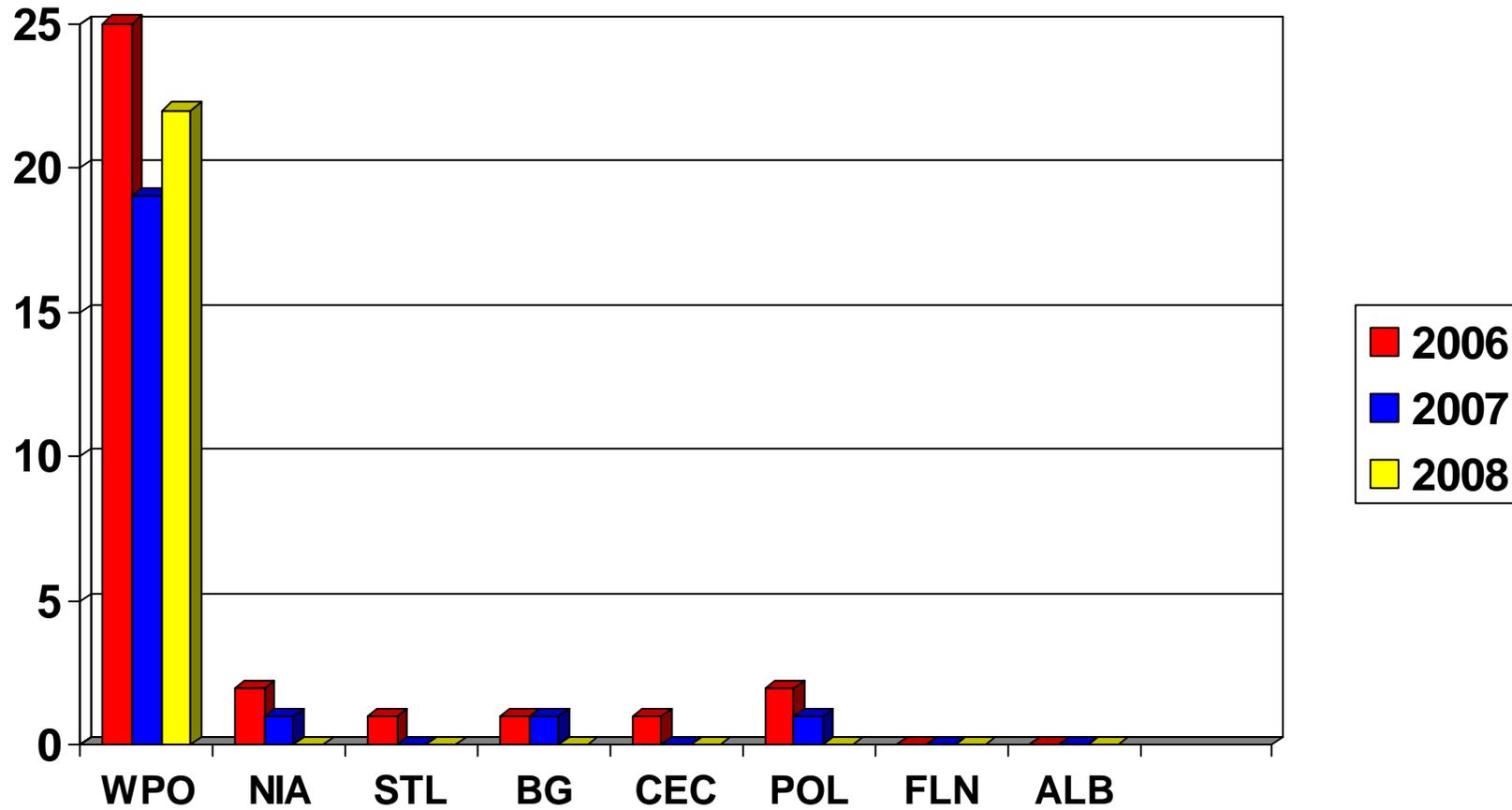
- In 2008 the OIG conducted 22 lead investigations. Comparison to years 2006 and 2007 as shown.



# 2008 Leads by Site



# 2006, 2007 and 2008 Lead Comparison by Site



7. **Motion to Conduct an Executive Session**

*“Mr. Chairman, I move that the Authority conduct an executive session pursuant to Section 105 of the Public Officers Law of the State of New York to discuss matters leading to the appointment, employment, promotion, discipline, suspension, dismissal or removal of a particular person or corporation.”* Upon motion made and seconded, an Executive Session was held.

8. **Motion to Resume Meeting in Open Session**

*“Mr. Chairman, I move to resume the meeting in Open Session.”* Upon motion made and seconded, the meeting resumed in open session.

**9. Next Meeting**

The next regular meeting of the Governance Committee will be held on Thursday, July 16, 2009 at 10:00 a.m. via videoconference.