

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

March 21, 2013

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Minutes of the regular meeting of the New York Power Authority's Governance Committee held at the Authority's offices at 123 Main Street, White Plains, New York at approximately 8:40 a.m.

The following Members of the Governance Committee were present:

Authority Chairman John R. Koelmel
Trustee Terrance P. Flynn
Trustee Joanne M. Mahoney

Chairman Eugene Nicandri - Excused

Also in attendance were:

Gil Quiniones	President and Chief Executive Officer
Judith McCarthy	Executive Vice President and General Counsel
Edward Welz	Chief Operating Officer
Joan Tursi	Senior Vice President – Corporate Support Services
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Patricia Leto	Vice President Procurement
Brian McElroy	Treasurer
Karen Delince	Corporate Secretary
Dennis Eccleston	Chief Information Officer
Patrick Donnelly	Director – Site Purchase, Materials Management – Real Estate
Rod Mullin	Director – Fuel Planning and Operations
Gary Schmid	Manager – Network Services
Wayne Slipperly	NERC Reliability Compliance Program Manager
Andrew Pelletier	Property Services Coordinator
Louise Nestler	Assistant Ethics Officer
Lorna Johnson	Assistant Corporate Secretary
Sheila Baughman	Senior Secretary, Corporate Secretary's Office

Authority Chairman John Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Authority Chairman John Koemel presided over the meeting in Chairman Nicandri's absence. Authority Chairman John Koemel welcomed committee members and Authority senior staff to the meeting. He said the meeting has been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Governance Committee Charter.

1. **Adoption of the Proposed Meeting Agenda**

By motion made and seconded the agenda for the meeting was adopted.

2. **CONSENT AGENDA:**

Upon motion made and seconded, the Consent Agenda and Reports provided to members of the Governance Committee were approved.

a. **Approval of the Minutes**

The Minutes of the Committee's Regular Meeting of December 18, 2012 were approved.

**b. Procurement and Real Estate Reports,
Revised Expenditure Authorization Procedures and
Guidelines for Procurement Contracts and for Personal
Property Disposal**

The Senior Vice President of Corporate Support Services submitted the following report:

SUMMARY

“This memorandum is to advise the Governance Committee of certain 2012 YTD activities of the Corporate Support Services / Enterprise Shared Services (‘CSS/ESS’) Business Unit, including: procurement contract activity, disposal of personal property, acquisition and disposal of real property, Supplier Diversity Program activities and plant inventory statistics, as well as fossil fuels and corporate finance activities of the Energy Resource Management and Business Services Business Units, respectively.

“The Governance Committee is also requested to review and recommend for approval by the full Board of Trustees the revised Expenditure Authorization Procedures governing Procurement and Real Estate, as well as various Guidelines, including: Guidelines for Procurement Contracts, Guidelines and Procedures for the Disposal of Authority Personal Property and Real Property, respectively, and Guidelines for the Acquisition of Real Property by the Authority.

BACKGROUND

“Pursuant to Subsection C.5 of the Authority’s Governance Committee Charter relating to Reports, the Vice President of Procurement and the Director of Real Estate are required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and Real Estate staff to prepare additional reports and to produce documents for Committee review.

“The reported activities are governed by various State laws and regulations and are set forth in the attached Reports.

DISCUSSION

“As more fully described in the individual reports attached hereto as Exhibits ‘2b-1’ – ‘2b-7,’ the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater awarded since January 1, 1990 that were active in 2012, as identified by the Authority’s SAP computer system. The Disposal of Personal Property Report lists all personal property disposal transactions over \$5,000 conducted during 2012. The Real Estate Report includes all transactions for the acquisition or disposal of real property by the Authority. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises (‘MWBEs’) based on reportable expenditures. The Plant Inventory Analysis lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Operations and Treasury work groups, respectively.

“The Governance Committee is also requested to review the revisions to the Expenditure Authorization Procedures governing Procurement and Real Estate, respectively, (as set forth in the highlighted copy attached hereto as Exhibit ‘2c-5’) and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2013.

“Pursuant to the Authority’s implementation of the Public Authorities Accountability Act of 2005 (‘PAAA’), as amended, 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 by the Authority annually, and approves any changes to such Guidelines. These Guidelines have been amended as deemed advisable and necessary, and reviewed and approved by the full Board of Trustees annually, most

March 21, 2013

recently on March 27, 2012. The Governance Committee is requested to review the revisions to the respective Guidelines (as set forth in the redlined copies attached hereto as Exhibits '2c-1' – '2c-4') and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2013."

c. **Review and Recommendation of Guidelines and Procedures**

The Vice President of Procurement submitted the following report:

SUMMARY

“Pursuant to the Authority’s implementation of the Public Authorities Accountability Act of 2005 (‘PAAA’), as amended, 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 by the Authority 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 over \$5,000 in value, and Disposal of Real Property over \$15,000 in value will also be reviewed by the Governance Committee.

BACKGROUND AND DISCUSSION

i. **Guidelines for Procurement Contracts**

“In compliance with the applicable provisions of §2879 of the Public Authorities Law (‘PAL’), as amended, the Authority has established comprehensive guidelines detailing its operative policy and instructions concerning the use, awarding, monitoring and reporting of procurement contracts. The Guidelines describe the Authority’s process for soliciting proposals and awarding contracts. Topics detailed in the Guidelines include solicitation requirements, evaluation criteria, contract award process, contract provisions, change orders, Minority/Women-owned Business Enterprise (‘M/WBE’) requirements, employment of former officers and reporting requirements. These Guidelines, approved by the Authority’s Trustees, were initially implemented on January 1, 1990, and have been amended as deemed advisable and necessary, and reviewed and approved annually since that date, most recently on March 27, 2012.

“Staff has reviewed the Procurement Guidelines and recommends additional changes to make them more consistent with the law or to clarify or improve the Authority’s procurement process. The most significant of such changes are highlighted below:

- **RECORD OF LOBBYING CONTACT REQUIREMENTS**, as set forth below and in new paragraph 3.Q of the Procurement Guidelines, pursuant to Public Authorities Law §2987 and as further set forth in the Authority’s Corporate Policy regarding this matter:

In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority’s Corporate Policy regarding this matter.

- **PROJECT SUNLIGHT RECORDING REQUIREMENTS**, as set forth below and in new paragraph 3.R of the Procurement Guidelines, pursuant to Chapter 399, Part A, Section 4 of the Laws of 2011:

Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting, a telephonic conversation or a video

conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an individual at the Authority who has the power to exercise discretion or advises someone who exercises discretion. A covered individual outside of the Authority means both "external" (e.g., lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

"It may also be noted that non-substantive and stylistic changes have also been made throughout the document.

"The Governance Committee is requested to review the revisions to the Procurement Guidelines (as set forth in the redlined copy attached hereto as Exhibit "2c-1") and, if appropriate, to recommend adoption by the full Board at the annual meeting to be held on March 21, 2013. The approved Guidelines will become effective on March 31, 2013 and will be posted on the Authority's internet website. On or before the 31st day of March, such Guidelines will also be filed with the Director of the Division of the Budget, the Department of Audit and Control, the Department of Economic Development, the Senate Finance Committee, the Assembly Ways and Means Committee and the Authorities Budget Office."

ii. Guidelines and Procedures for Disposal of New York Power Authority Personal Property

"In compliance with Public Authorities Law ("PAL") §2896, enacted as part of the Public Authorities Accountability Act of 2005 ("PAAA") and amended by the Public Authorities Reform Act of 2009 ("PARA"), the Authority established and is required to annually review and approve Guidelines for the Disposal of Personal Property. Personal Property is defined to include, but is not limited to, Authority-owned materials, tools, equipment and vehicles with a value in excess of \$5,000. The Personal Property Guidelines set forth the methodology detailing the Authority's policy regarding the use, award, monitoring and reporting of the disposal of Personal Property and designate a Contracting Officer responsible for the Authority's compliance with, and enforcement of, such Guidelines. The Guidelines were initially approved by the Trustees in March 2006 and have been amended as deemed advisable and necessary, and reviewed and approved annually since that date, most recently on March 27, 2012.

"Staff has reviewed the Personal Property Disposal Guidelines and recommends no substantive changes. Several non-substantive changes were made to the Guidelines to clarify a few points and to reflect titular or organizational changes in the Authority.

"The Governance Committee is requested to review the revisions to the Personal Property Disposal Guidelines (as set forth in the redlined copy attached hereto as Exhibit '2c-2') and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2013. The approved Guidelines will become effective on March 31, 2013 and will be posted on the Authority's internet website. On or before the 31st day of March, such Guidelines will also be filed with the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office."

iii. Guidelines And Procedures For Disposal of New York Power Authority Real Property

"In compliance with Public Authorities Law ("PAL") §2896, enacted as part of the Public Authorities Accountability Act of 2005 ("PAAA") and amended by the Public Authorities Reform Act of 2009 ("PARA"), the Authority established and is required to annually review and approve Guidelines for the Disposal of Real Property. The Guidelines were initially approved by the Trustees in March 2006.

They have subsequently been reviewed, amended as necessary, and approved on an annual basis, most recently on March 27, 2012.

“Staff has reviewed the Real Property Disposal Guidelines and recommends no substantive changes. Several non-substantive changes were made as follows: the definitions under Section II have been amended for clarity; paragraph 5.7 has been deleted and its material terms incorporated into paragraph 2.2.

“The Governance Committee is requested to review the revisions to the Real Property Disposal Guidelines (as set forth in the redlined copy attached hereto as Exhibit ‘2c-3’ and, if appropriate, to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2013. The approved Guidelines will become effective on March 31, 2013 and will be posted on the Authority’s internet website. On or before the 31st day of March, such Guidelines will also be filed with the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.”

iv. Guidelines and Procedures for the Acquisition of New York Power Authority Real Property

“In compliance with Public Authorities Law (‘PAL’) § 2896, enacted as part of the Public Authorities Accountability Act of 2005 (‘PAAA’) and amended by the Public Authorities Reform Act of 2009 (‘PARA’), the Authority established and is required to annually review and approve Guidelines for the Acquisition of Real Property. The Guidelines were initially approved by the Trustees in March 2006. They have subsequently been reviewed, amended as necessary, and approved on an annual basis, most recently on March 27, 2012.”

“Staff has reviewed the Real Property Acquisition Guidelines and recommends no substantive changes.

“The Governance Committee is requested to review the revisions to the Real Property Acquisition Guidelines (as attached hereto as Exhibit 2c-4 and to recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2013. The approved Guidelines will become effective on March 31, 2013 and will be posted on the Authority’s internet website. On or before the 31st day of March, such Guidelines will also be filed with the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.”

v. Expenditure Authorization Procedures

“Article VII, Section 5 of the Authority’s By-Laws requires that the Trustees adopt expenditure authorization procedures which, among other things, govern contract approval authorizations 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 Expenditure Authorization Procedures (‘EAPs’) which ‘...delegated to the Chairman the authority to modify existing authorization and execution limits relating to the commitments for the approval of, award of, and change orders to contracts which do not require approval by the Trustees.’ At a meeting held on March 31, 2009, the Trustees approved the continuation of such authority, as well as certain modifications to the EAPs governing Procurement and Real Estate. The EAPs were last revised in 2010 with the Chairman’s approval.

“Staff has identified the need to authorize certain additional levels of personnel (titles) to approve commitments, as well as to increase the execution (signing) limits for certain purchasing and other personnel. The recommended changes will rightly place responsibility with those employees already accountable for such functions and further streamline the procurement process, while at the same time maintaining appropriate controls on the process.

“This revision to the EAPs: (1) incorporates the approval limits of additional titles (personnel) and/or titular changes for the approval of commitments per Attachments A and B and the signing of commitments per Attachment C; (2) provides additional clarification regarding Change Order limits and (3) sets new or revised approval and signatory limits for certain real estate transactions per Attachment D.

“The following summarizes the principles underlying the EAPs:

- 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.
- ‘Approval’ authority for contracts awards and change orders (as set forth in EAP Attachments A and B) is part of an internal Authority process, which ensures that the appropriate level/s of internal organizational review is secured for recommendation of contract award, extension and/or funding, but does not commit the Authority to any contractual obligations with the recommended vendor/s.
- ‘Signatory’ authority and limits (as set forth in EAP Attachment C) designate and ensure that the appropriate level of authorized Authority personnel executes (signs) legally binding documents to enter into contract/s with or issue change orders to the recommended vendor/s – after the aforementioned internal approval process has been secured.
- The Trustees’ approval is required: (i) for the award of non-personal services, construction, equipment or non-procurement contracts with an initial value over \$3 million; (ii) for the award of personal services contracts exceeding \$1 million, if awarded to the low bidder, or exceeding \$500,000, if awarded to other than the low bidder or on a sole or single source basis 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, construction or non-procurement contract exceeds \$3 million or when the cumulative Change Order value exceeds the President’s, Chairman’s or Chief Operating Officer’s limits.
- The aforementioned Change Order limits are subject to what is referred to as the ‘25% Rule’ (more fully described on page 4 of the EAPs), which requires rebidding of contracts (or approval of the President, Chairman 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% (and is within the specified not-to-exceed dollar limits). Any funding in excess of 25% of the amount initially approved requires the approval of the President, Chairman or Chief Operating Officer, until either the Trustees’ approval is obtained or the contract is rebid.

“The following highlights the proposed revisions to the EAPs:

1. The EAPs governing procurement have been amended to bring the EAPs in line with both current organizational structure and with certain employees’ functional responsibilities. To that end, Directors and Program Managers in Energy Efficiency would be authorized to approve commitments per the same approval limits as Project Managers or Sr. Project Managers (Attachments A and B) and the Fleet Clerk would be authorized to sign Purchase Orders to \$5,000 (Attachment C). Additional revisions include titular changes and clarifications regarding Change Order limits and the ‘25% Rule.’
2. The EAPs for real estate transactions (Attachment D) have been amended as part of an ongoing effort to more accurately reflect the manner in which Authority real property is now acquired and disposed of and to streamline and clarify the authorization process. Except as

outlined below, the majority of these changes are to resolve potential ambiguities and do not affect present authorization levels.

The procedures have been materially revised to give expenditure authorization for permits and damage claims under \$1,000 (including the majority of danger tree claims) to the Real Estate Administrators (or equivalent). This is aimed at delegating greater authority to personnel on the ground and improving department efficiency and responsiveness to the public. In addition, the authorization levels for the President and Chairman of the Board of Trustees have been combined. In practice, expenditures exceeding the President's current authorization level are customarily brought directly to the Board of Trustees for approval.

"In addition, the Trustees are requested to continue the delegation to the Chairman of the Authority to modify existing authorization and execution limits of the EAPs relating to commitments for the approval of, award of and change orders to contracts that do not require approval by the Trustees, as previously approved in December 1991 and most recently in March 2009. This delegation of authority provides for a more efficient amendment process, eliminating the need to return to the Trustees each time circumstances dictate a necessary revision to the EAPs.

"Since the full Board of Trustees has not adopted EAPs since March 2009, good governance dictates that these revised EAPs be presented for Board approval. Accordingly, the Governance Committee is requested to review the proposed revisions to the EAPs (as further set forth in the highlighted copy attached hereto as Exhibit '2c-5') and, if appropriate, recommend adoption by the full Board of Trustees at the annual meeting to be held on March 21, 2013."

d. Annual Review and Approval of Authority Corporate Policies

The Senior Vice President of Corporate Support Services submitted the following report:

SUMMARY

“The Committee is requested to approve certain Authority policies as required by Section 2824 of the Public Authorities Law and Section 2 of Article II of the Authority’s By-laws.

“Staff is also requesting that the President and Chief Executive Officer the Authority be delegated to modify these policies, as necessary, except in the event that any powers, duties or obligations of the Trustees would be affected by such modification.

“This item also contains several policy changes that do not require Committee approval, but are being provided for informational purposes.

BACKGROUND AND DISCUSSION

“Section 2824 of the Public Authorities Law requires the Authority’s Trustees to, among other things, establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the chief executive and senior management; and Section 2 of the Authority’s By-laws requires the Authority’s Trustees to review and approve annually the policies and procedures governing: (i) the salary, (ii) compensation, (iii) benefits and (iv) time and attendance of the chief executive and senior management.

“The Authority’s policies relating to salary, compensation, benefits and time and attendance of its employees, inclusive of the chief executive and all senior management, are attached as Exhibits “A” through “L” and respectively entitled:

- A. Recruitment and Job Posting (EP 1.2); last revised 3/21/13;
- B. Salary Administration Policy (EP 2.1); last revised 3/27/12;
- C. Salaried Non-Exempt and Facility-Based Exempt Overtime (EP 2.4),
last revised 3/27/12;
- D. Variable Pay Plan (EP 2.6), Deleted 7/20/10;
- E. Employee Benefits Eligibility (EP 3.1), last revised 3/27/11;
- F. Reimbursement of Employee Meal Costs (CAP 1.5), last revised 3/27/12;
- G. Attendance & Flexible Hours (EP 4.6), last revised 3/27/12;
- H. Vacation (EP 3.2), last revised 3/27/12;
- I. FMLA (EP 3.3), last revised 5/19/10;
- J. Sick Time (EP 3.9), last revised 2/20/09;
- K. Relocation Benefits for New and Transferred Employees (EP 3.8);
last revised 1/1/10; and
- L. Travel (CP 2-1); last revised 3/21/13.

“The following Authority policies, (Exhibits “M” and “N”) do not require approval, but have been modified and are being provided for informational purposes.

- M. Contributions and Sponsorships (CP 11-1), last revised 3/21/13;
- N. Business Related Contributions (CP 2-16), 3/21/13.

“The revised corporate policies relating to salary, compensation, benefits and time and attendance of Authority employees, and delegation of the President and Chief Executive Officer of the Authority to modify these policies, as necessary, except in the event that any powers, duties or obligations of the Trustees would be affected by such modification, if approved by the Governance Committee, will be presented to the full Board of Trustees for review and approval at the March 21, 2013 annual meeting.”

e. Recent Developments and Status of NYPA's Ethics and Compliance Program

The Vice President and Chief Ethics and Compliance Officer submitted the following report:

ETHICS and COMPLIANCE

SUMMARY

“The Office of Ethics and Compliance advises NYPA’s trustees, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards relating to NYPA’s employees and operations. It coordinates the investigation of allegations and concerns involving NYPA’s assets and employees. This report highlights significant developments in NYPA’s ethics and compliance program for the period December 18, 2012 to March 1, 2013.

BACKGROUND

“The principal substantive issues arising under the NYS ethics laws and NYPA’s Code of Conduct investigated or researched since the most recent Governance Committee report on December 18, 2012 include various requests to engage in outside activities and employment and issues concerning conflicts of interest, gifts inquiries, pre-employment reviews and post-employment restrictions questions.

“The Office of Ethics and Compliance provides annual training to all trustees, officers and employees to reaffirm NYPA’s commitment to prevailing ethics principles and raise awareness of the laws and regulations with which all NYS public employees are required to comply. Annual review of and certification to the NYPA Ethics Code of Conduct is implemented as an additional measure to reinforce acceptable business and professional conduct. The Office also coordinates required training for designated employees to comply with the Federal Energy Regulatory Commission’s (‘FERC’) Standards of Conduct relating to its transmission and energy marketing functions and FERC Rules designed to prevent manipulation of energy markets.

DISCUSSION

Ethics Caseload

“The Ethics and Compliance Office reviewed 30 cases since the last report to the Governance Committee and handled 136 cases in calendar year 2012. The case total for 2012 included the following categories: 15 allegations; 9 appearances of impropriety; 3 conflicts of interest; 10 general inquiries; 30 gifts questions; 15 outside activities and 32 outside employment reviews; 2 political inquiries; 5 post-employment questions; 2 securities investment questions; 11 issues related to unwarranted privilege and 2 assessments relating to appropriate use of NYPA assets. These cases originated from all NYPA facilities, with a concentration from the White Plains Office. There has been a steady increase in ethics inquiries from NYPA’s facility employees, including those represented by bargaining units.

“Cases of interest since the last report to the Governance Committee included several outside employment reviews, including a partnership in a helicopter tour company, a family ice cream parlor business, a mobile notary public and several employees engaged by municipalities as part-time police officers.

“Several pre-employment ethics issues were also reviewed during this reporting period. NYPA’s Human Resources Department has been evaluating new hires for any ethical concerns during the interview process. If NYPA is considering extending an employment offer to an individual that has disclosed ownership in a business or a desire to continue providing services to another firm after becoming a NYPA employee, Human Resources facilitates a discussion between the Office of Ethics and Compliance and the prospective employee to ensure that there are no impermissible conflicts of interest and required approvals are obtained. After review, the Office of Ethics and Compliance provides a written opinion to the

prospective employee and his/her supervisor which contains the ethics guidelines that must be adhered to if the individual is permitted to continue with the outside employment or activities. The prospective employee must agree to the guidelines in writing and a copy is placed in the person's employment file.

Collaboration with the New York State Inspector General's Office

"The Office of Ethics and Compliance continues to collaborate with the NYS Inspector General's Office on investigations of allegations and complaints involving NYPA employees and business partners. Issues of corruption, fraud, criminal activity, conflicts of interest or abuse by state officers and employees relating to their office or employment, or by anyone having business dealings with covered agencies, are included within the Inspector General's Office jurisdiction. Details of pending cases will be provided during the Governance Committee Executive Session upon request. On February 28, 2013, NYPA's Executive Vice President and General Counsel and Vice President and Chief Ethics and Compliance Officer attended a training program provided by the Inspector General's Office. This presentation provided a detailed review of the Public Officers Law and expectations for covered agencies relating to the reporting of wrongdoing and implementation of ethics program protocols.

Training and Outreach

"The Inspector General's Director of Training made four presentations to headquarters staff in May 2012. The purpose of these training sessions was to review the jurisdiction and role of the Inspector General and highlight employees' legal responsibility to report wrongdoing, including, abuse, bribery, conflicts of interest, fraud, theft and governmental waste. NYPA's strong working relationship with the Inspector General's Office was cited during the training and employees were encouraged to continue to consult with and report wrongdoing to the Office of Ethics and Compliance.

"In the intervening months since the Inspector General presentations in White Plains, NYPA's Executive Vice President and General Counsel and Vice President and Chief Ethics and Compliance Officer visited NYPA's Blenheim-Gilboa Project, Clark Energy Center, Albany Office, Niagara Project and SENY 500MW Plant to deliver the message conveyed during the Inspector General's training sessions. These live training sessions were provided to management employees at NYPA's facilities and addressed two primary subjects: (1) the Inspector General's jurisdiction and State employees' legal responsibility to report wrongdoing and (2) NYPA's ethics and compliance program with a focus on acceptable business conduct and procedures for engaging in approved outside employment. The Niagara Project and SENY 500 MW Plant programs included a presentation on Project Sunlight, which became effective on January 1, 2013 and requires certain NYPA employees to record various business contacts in a database which will be made available to the public. These presentations have resulted in several outside employment disclosures and inquiries concerning compliance with NYPA's policies and procedures, including those governing the use of NYPA's information technology assets and fleet vehicles. Similar training will be conducted at the St. Lawrence Project and Flynn Plant.

"The Office of Ethics and Compliance developed and issued its annual FERC Standards of Conduct training to the trustees and designated marketing, transmission and other required employees during the first quarter of 2013. The purpose of this mandatory training is to reaffirm FERC's rules relating to (i) the maintenance of the independent operation of NYPA's transmission and marketing functions; (ii) transparent disclosures of actions that could create an undue preference for market participants; and (iii) non-discrimination in the treatment of NYPA's transmission customers.

Financial Disclosure

"NYPA submitted its annual Financial Disclosure Program report to the NYS Joint Commission on Public Ethics ('JCOPE') on February 27, 2013. NYPA reported 678 participants in the Financial Disclosure program. Of those 678, 156 were designated as holding 'policy-making' positions and 131 were serving in title exempt positions or held individual exemptions based upon their job duties as authorized by JCOPE or its predecessor Ethics Commissions.

“The salary threshold for inclusion in the annual JCOPE Financial Disclosure program remains \$88,256 for calendar year 2013. Individual forms are due on May 15, 2013. Notifications are expected to be sent to all required filers at their NYPA e-mail address during the month of March and will inform them of their obligation to complete the annual filing or apply for an individual exemption before the May 15th filing deadline. The Office of Ethics and Compliance will alert required filers to the Financial Disclosure Program requirements and issue compliance reminders prior to the May 15 filing deadline. The Office is available to assist filers with any program eligibility and interpretation questions or concerns.

Project Sunlight

“Project Sunlight is a component of the Governor’s 2011 Public Integrity Reform Act. Effective January 1, 2013, it requires NYPA to record in a database maintained by the NYS Office of General Services (‘OGS’) all individuals, firms or other entities (excluding other State and local governmental agencies and elected officials) that appear before NYPA on their own behalf or in a representative capacity on behalf of a client or customer for certain purposes. The covered ‘appearances’ are limited to live exchanges (i.e. meetings, phone conversations, video conferences) and exclude e-mails, letters and other written communications. These covered appearances are required to be recorded in Project Sunlight within five business days of their occurrences.

“To meet its obligations under Project Sunlight, NYPA has developed its own internal website which includes the Project Sunlight Policy, Frequently Asked Questions and a PowerPoint training developed by the Governor’s Counsel’s Office. The webpage includes a form to be used by employees to submit covered appearances electronically. After submission, this electronic form is automatically forwarded to the Office of Ethics and Compliance for review and then uploaded to the OGS database. All records will be retained in accordance with NYPA’s records retention policy.

“In addition, NYPA has developed two portable tools to assist employees in capturing the required data for covered appearances. The first is a laminated reference card which outlines Project Sunlight and contains the required fields to capture for each covered appearance. The second is a paper form which can be completed by participants during a covered appearance. Both of these tools will be widely distributed to all business units and NYPA facilities.

“The Office of Ethics and Compliance has conducted approximately 20 live training sessions with NYPA’s trustees, executive management committee members, business unit and department managerial staff and operating facilities’ management employees. In addition, an electronic Project Sunlight training slide deck will be disseminated through NYPA’s Learning Management System in the second quarter of 2013. This training will be sent to all NYPA salaried and bargaining unit employees whose job duties include the procurement of goods, services or real estate or otherwise relate to the business categories included in Project Sunlight (e.g. rate-making, rule-making, regulatory matters and judicial or quasi-judicial proceedings).

“During the second quarter of 2013, NYPA will develop a compliance plan as required under Project Sunlight. This compliance plan will address training requirements, an audit function and progressive discipline, up to and including termination, for employees who fail to comply with the Project Sunlight mandates.

“As of February 28, 2013, NYPA has recorded approximately 60 covered appearances in the OGS Project Sunlight database.

NERC RELIABILITY STANDARDS COMPLIANCE

NERC Reliability Compliance Program Manager submitted the following report:

SUMMARY

“This report highlights important aspects of NYPA’s reliability standards compliance program for the period December 19, 2012 to March 1, 2013. A brief background statement is followed by discussion of specific reliability standards-related topics affecting the enterprise.

BACKGROUND

“Following the 2003 Northeast blackout, the Energy Policy Act of 2005 was passed and gave the Federal Energy Regulatory Commission (‘FERC’) the power to establish mandatory standards for electric reliability. FERC named the North American Electric Reliability Corporation (‘NERC’) as its Electric Reliability Organization (‘ERO’) and charged it with developing and enforcing reliability standards. The Northeast Power Coordinating Council (‘NPCC’) is NERC’s enforcement agent for the Northeast U.S. NERC established an organization and processes for developing, implementing and enforcing standards. The initial set of standards became enforceable on June 18, 2007. Since then, the standards have continued to be expanded and revised to address known gaps in the standards or gaps discovered from lessons learned from analyses of more recent system disturbances and blackout events.

“NYPA is currently registered, under the NERC functional registration model, as a Transmission Owner, Generator Owner, Generator Operator, Purchasing and Selling Entity, and Load Serving Entity. Recently, NYPA requested de-registration as a Load Serving Entity. Under these registrations, NYPA is subject to 115 standards containing 379 requirements. The standards cover a wide range of NYPA’s operation and maintenance activities and processes. In addition, NYPA is subject to some more stringent standards and reliability requirements established by NPCC.

DISCUSSION

NERC Reliability Standards Compliance Enforcement Actions

“During the reporting period, NYPA staff managed compliance enforcement actions related to several of the NERC Reliability Standards that are applicable to NYPA’s NERC registrations. There are currently eight (8) active enforcement actions related to self-reports of possible violations of the standards. One of these was submitted to the NPCC in 2011, one in 2012, and six in January and February 2013. For those submitted in 2011 and 2012, NYPA is awaiting the initiation by NPCC of settlement discussions. For those submitted in 2013, mitigation plan documents are being developed and will be submitted to NPCC as part of the enforcement process.

Possible Violation Concern Investigations

“During the reporting period, self-reports of possible violations submitted to NPCC resulted in investigations of compliance concerns identified by the staff pursuant to an internal procedure entitled ‘Possible NERC Reliability Standards Compliance Violation.’ The compliance concerns were associated with the Voltage and Reactive (‘VAR’), Critical Information Protection (‘CIP’), Protection and Control (‘PRC’) and Modeling, Data and Analysis (‘MOD’) reliability standards. This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Self-Certifications of Compliance

“During the reporting period, NYPA successfully completed eight (8) self-certifications of compliance for NERC reliability standards associated with PRC, Facilities Design, Connections, and Maintenance (‘FAC’), VAR, MOD and Transmission Operations (‘TOP’) related to NYPA’s NERC

registrations. Technical Compliance has established a rigorous process to ensure that compliance evidence is updated before NYPA self-certifies compliance.

Bulk Electric System (“BES”) Definition

“The relevant background on the BES is contained in the July 31, 2012 report to the Governance Committee.

“FERC approved the new BES definition on December 20, 2012. The new definition will provide greater clarity and ensure consistency in identifying system elements across the nation’s reliability regions and will require transmission assets above 100 kV to be subject to the NERC Reliability Standards. NYPA staff continued work to identify any compliance gaps for 40 newly identified BES elements under NYPA’s current NERC registrations.

“As stated in the July 31, 2012 report, the adoption of the new BES definition may require NYPA to register as a TOP and/or a Transmission Planner (‘TP’), which would require NYPA to demonstrate compliance with additional reliability standards. In October 2012, NYPA met with the New York Independent System Operator (‘NYISO’) to discuss the assignment of TOP and TP compliance responsibilities and accountabilities for NYPA’s newly identified BES assets. The NYISO agreed, in principle, to take compliance responsibility and accountability for approximately 50% of NYPA’s 41 newly identified assets, since the NYISO already has operational control of those assets pursuant to existing agreements with NYPA. NYPA has engaged NPCC and other New York Transmission Owners (‘NYTO’) regarding reliability standards compliance responsibilities and accountabilities for the remaining assets. In addition, NYPA may be able to exclude certain of these new assets from being subject to the reliability standards. In parallel to these discussions, NYPA continues to meet with the NYISO and the NYTOs to discuss and develop an action plan to address the statewide impacts of the implementation of the new BES definition. NYPA staff, having knowledge of these matters, met several times during the reporting period to further clarify the impacts with respect to functional responsibility and compliance accountability for the TOP and TP Standards.

“The State of New York Department of Public Service (‘DPS’), in a letter dated February 11, 2013, requested information from NYPA related to its newly identified BES. The request is for a list of the newly identified assets, including facilities qualifying for exclusion and facilities that may qualify for an exception under the new definition. In addition, the DPS is requesting estimates of capital expenditures required to upgrade these assets and estimates of increases in annual costs for reporting and maintenance to satisfy the requirements of the reliability standards. Technical Compliance is preparing a response for submission to the DPS by April 1, 2013.

NERC Recommendations to Industry – Facility Ratings for Transmission Lines

“During the reporting period, NYPA continued to implement its work plan for responding to NERC’s October 7, 2010 ‘NERC Alert – Recommendation to Industry’ requiring NYPA to review its current Facility Ratings Methodology for its solely- and jointly-owned transmission lines to verify that the methodology is based on actual field conditions (in particular, line clearances). As stated in the July 31, 2012 Governance Committee report, the assessment discovered about 260 line clearance discrepancies in NYPA’s 1,400 miles of transmission lines; about 50 of which are on lines rated as high priority. Staff has engaged contractors and other utilities to remediate the discrepancies on the high priority lines by the end of 2012. However, completion of the work on the high priority lines was delayed due to Hurricane Sandy. Currently, there is one outstanding high priority discrepancy pending resolution by National Grid. The remediation of discrepancies on the medium priority lines is being planned for completion in 2013.

Cyber Security Developments

“During the reporting period, NYPA staff continued to monitor the progress toward implementation of Version 5 of NERC’s CIP reliability standards. NERC filed the Critical Infrastructure Protection (‘CIP’) Version 5 Reliability Standards with FERC for approval on January 31, 2013. FERC’s approval is pending. The President issued an Executive Order on February 13, 2013 to improve critical infrastructure cyber security. Pursuant to the Executive Order, the National Institute of Standards and Technology (‘NIST’) has reached out to industry stakeholders to gather information for developing a voluntary framework for reducing cyber risks to critical infrastructure. The Framework will consist of standards, guidelines and best practices to promote the protection of information and information systems supporting critical infrastructure operations. Technical Compliance and Information Technology are working to respond to the NIST inquiry and provide information to support the development of this Framework.

“In addition, NYPA received an official request for information from Congressmen Markey and Waxman regarding NYPA’s efforts to ensure that its electric grid assets are protected from a cyber or physical attack or geomagnetic storm. NYPA coordinated its response with the Large Public Power Council (‘LPPC’) and it was submitted on February 14, 2013.”

f. Review and Recommendation of Ethics and Compliance Program Documents

The Vice President and Chief Ethics and Compliance Officer submitted the following report:

SUMMARY

“The Governance Committee is requested to adopt: (i) a new Ethics and Compliance Program corporate policy (Exhibit ‘A’), (ii) revisions to the Authority’s Code of Conduct (Exhibit ‘B’) and (iii) revisions to CP 1-7, ‘Anti-Retaliation Policy’ (Exhibit ‘C’) which will conform with the applicable provisions contained within the NYS Public Authorities Law, NYS Public Officers Law and guidance provided by the NYS Joint Commission on Public Ethics (‘JCOPE’) and NYS Office of the Inspector General (‘IG’).

“The new Ethics and Compliance Program Policy and revised Code of Conduct and Anti-Retaliation Policy will cover all Authority Trustees, officers and employees.

BACKGROUND

“The Authority is committed to complying with all applicable legal, regulatory and other mandatory standards and maintaining the highest level of ethical conduct of its Trustees, officers and employees. To meet these responsibilities, the Authority has created an Office of Ethics and Compliance which reports to the Executive Vice President and General Counsel and the Governance Committee of the Board of Trustees. This Office assists the Authority in achieving its mission and business objectives by evaluating and enhancing the Authority’s legal and regulatory compliance posture and communicating and applying the required standards of ethical conduct to the Authority’s Trustees, officers and employees.

“The Trustees adopted a ‘Conflicts of Interest Policy’ in 1988 to address important aspects of ethical conduct. The Trustees revised the policy in 1994 and renamed it the ‘Code of Conduct.’ The Code of Conduct was revisited again in 1998 and 2009 when the Trustees addressed conflicts of interest relating to employees’ trading in or acquiring the securities of utility companies operating in New York State and incorporated enhanced ethical standards for public employees contained in the amended NYS Public Officers Law. The 2009 adopted Code of Conduct clarified prior legal and technical provisions and replaced them with clear and concise language to be utilized by a more diverse Authority workforce.

“In furthering its commitment to legal and regulatory compliance and ethical conduct, the Authority revised its ‘Anti-Retaliation Policy’ in 2010, which encourages Trustees, officers and employees to report and participate in the investigation of, among other things, wrongdoing and violations of law, regulations, policies, procedures and the Code of Conduct. This policy protects Trustees, officers and employees from discrimination, harassment or retaliation of any kind for ‘good faith’ reporting of and participation in the investigation of, these events.

DISCUSSION

“The proposed Ethics and Compliance Program Policy (Exhibit ‘A’) sets forth the Authority’s commitment to legal and regulatory compliance and the highest ethical conduct of its employees. It contains the responsibilities expected of the Authority’s Trustees, officers and employees and clarifies the role of the Office of Ethics and Compliance in meeting the policy’s objectives. It formalizes the establishment of the Authority’s Ethics and Compliance Program and represents its overarching governance document consistent with best practices for an effective ethics and compliance program. The Authority’s Internal Audit Department had recommended the adoption of an Ethics Charter after conducting an audit of the Ethics Program. The proposed policy was also developed to implement that recommendation and goes further by incorporating the Authority’s comprehensive Compliance commitments and resources.

“The NYS Public Authorities Law Section 2824(1)(d) requires board members of state authorities to ‘adopt a code of ethics applicable to each officer, director and employee, that, at a minimum, includes the standards established in section seventy-four of the public officers law.’ The proposed revisions to the Code of Conduct (Exhibit ‘B’) clarify and update various provisions and conform with the requirements of the NYS Public Officers Law and guidance provided by the JCOPE and the IG. They include the requirements that Trustees, officers and employees disclose any and all professional and personal conflicts of interest and subsequently recuse themselves from engaging in any Authority business activity where a conflict appears or exists. In addition, Trustees, officers and employees will be prohibited from seeking or accepting a monetary loan from any employee under one’s supervisory authority or providing a monetary loan to one’s immediate supervisor and anyone to whom that individual reports, up to and including the Board of Trustees. In response to recent JCOPE Advisory Opinions, the Code of Conduct is being further revised to include the requirement that the Office of Ethics and Compliance be consulted prior to the re-employment of any former Authority employee to conduct an evaluation of the post-employment restrictions contained in the NYS Public Officers Law. All other standards and sections of the Code of Conduct have been preserved.

“The NYS Public Authorities Law Section 2824(1)(e) requires board members of state authorities to ‘establish written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the authority,....’ The Authority revised its initial Anti-Retaliation Policy and issued CP 1-7, ‘Anti-Retaliation Policy’ (Exhibit ‘C’) in 2010, and is now seeking formal adoption of the policy in accordance with the NYS Public Authorities Law and a recent recommendation made by Internal Audit Department. In addition, the policy is being revised to clarify certain reporting options and encourage employees to expeditiously report events covered within its scope.”

DISCUSSION AGENDA

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

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

4. **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.

5. **Next Meeting**

The next regular meeting of the Governance Committee will be held on Tuesday, July 23, 2013, at 8:30 a.m. at the Authority's White Plains Office.

March 21, 2013

Closing

Upon motion made and seconded, the meeting was adjourned by the Chairman at approximately 9:10 a.m.

A handwritten signature in black ink, appearing to read "Karen Delince". The signature is fluid and cursive, with a prominent initial "K" and a long, sweeping tail.

Karen Delince
Corporate Secretary

March 21, 2013

EXHIBITS

TO

March 21, 2013

Meeting Minutes

PROCUREMENT CONTRACTS SUMMARY **January – December 2012**

In accordance with the Procurement Guidelines, "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.

The following is a summary of all procurement contracts, including multi-year contracts, awarded through December 31, 2012. These contracts have been active during 2012 and are \$5,000 or greater in value. There are 2,166 such contracts with a total estimated value of more than \$3.1 billion, not including fossil fuel or corporate finance expenditures which are covered in Sections 2b-6 and 2b-7 of this report. The total expenditures through December 31, 2012 have exceeded \$423 million for these contracts.

- 12% of these contracts are for construction work;
- 48% are for the purchase of equipment and commodities;
- 11% are for personal service contracts such as professional consulting services;
- 1% are for architectural and engineering services;
- 1% are for legal services;
- 27% are for other services, such as maintenance, technicians, contracted personnel and repairs.

Based on the total value of the contracts included in this summary, approximately 97% of the total dollars expended were for contracts that were competitively bid. The basis for the sole source/single source awards included the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis, proprietary sources, procurement from NYS-certified Minority and Women Owned Business Enterprises (M/WBEs) and NYS Small Businesses.

On March 29, 2013, the "2012 Annual Report of Procurement Contracts" will be certified by the Authority's Chief Financial Officer and submitted to the NYS Comptroller's Public Authorities Reporting Information System (PARIS) in accordance with Section 2879 of the NYS Public Authorities Law.

DISPOSAL OF PERSONAL PROPERTY
January – December 2012

2012 Annual Report of Disposal of Personal Property

Public Authorities Law ("PAL") § 2896, enacted as part of the Public Authorities Accountability Act of 2005 ("PAAA"), as amended by the Public Authorities Reform Act of 2009 ("PARA"), requires the Authority to prepare a report, not less frequently than annually, listing all Personal Property disposed of during the reporting period. To that end, the 2012 Annual Report of Disposal of Personal Property over \$5,000 in value is attached. The description of the property, purchaser's name and price received by the Authority, as required by PAL § 2896, will be presented in the official 2012 Annual Report of Disposal of Personal Property for review and approval by the full Board of Trustees at their March 21, 2013 meeting, referenced in the Authority's § 2800 Annual Report and included in other filings with various State entities, in compliance with applicable law. The sale price and other additional data (such as fair market value, date of transaction, full address of purchaser, etc.) required by the Authorities Budget Office ("ABO") will be included in the 2012 Public Authorities Reporting Information System ("PARIS") Annual Report of Personal Property Disposal for submittal to the ABO by March 31, 2013.

FACILITIES – Fourth Quarter Activity

During the reporting period, there were three (3) Personal Property Disposal transactions over \$5,000 in value, as further set forth on page 2 of the attached Report. Of this number, two were for the disposal / sale of scrap metals at the Niagara Project, conducted under an existing competitively bid contract with Niagara Metals, resulting in payment to the Authority of \$89,371.32; the third transaction was for the sale of miscellaneous surplus metal at the Clark Energy Center ("CEC"), which was competitively bid by the CEC Property Disposal Coordinator ("PDC") through a Request for Quotation ("RFQ") and resulted in payment to the Authority of \$8,276.

The Facilities 4th Quarter "Price Received by the Authority" for these three transactions was \$97,647.32.

FACILITIES – Annual Summary and Subtotal

Pages 1 – 2 include thirteen (13) Personal Property disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators ("PDCs") during the 2012 reporting year, as further set forth in the attached Report. All such disposal transactions were competitively bid (through RFQs for individual transactions, competitively bid contracts or online auctions handled by the firm Auctions International). They are summarized below by Facility:

- Blenheim-Gilboa Project: 1 transaction – for the sale of three Prime Power emergency duty generator sets, resulting in payment to the Authority of \$18,200;
- Clark Energy Center: 2 transactions – for the sale of a LeBlond special lathe, resulting in payment to the Authority of \$145,000 and miscellaneous surplus metal, resulting in payment to the Authority of \$8,276 for a total of \$153,276;
- Niagara Project: 7 transactions – for the sale of scrap metals, resulting in net proceeds to the Authority of \$131,882.12;
- Poletti Project: 1 transaction – for the sale of scrap copper cable, resulting in net proceeds to the Authority of \$15,871;
- St. Lawrence/FDR Project: 2 transactions – for the sale of scrap metals, resulting in payment to the Authority of \$19,395.60.

The Total “Price Received by the Authority” in 2012 for these Personal Property Disposal transactions over \$5,000 conducted by or on behalf of the Property Disposal Coordinators (“PDCs”) at the Facilities was \$338,624.72.

FLEET – Fourth Quarter Activity

During the reporting period, the Authority participated in two Fleet-related auctions conducted by the firm JJ Kane Auctioneers on November 17, 2012 in Rome, NY and December 1, 2012 in Medford (Long Island), NY, respectively. The November auction resulted in the sale of 33 units, of which there were 14 with a Sale Price over \$5,000, as set forth on pages 3 – 5 of the attached Report. The auction “Sale Price” (Gross) for these 14 units was \$218,500.00, which resulted in a “Price Received by the Authority” (Net Amount) of \$210,150.65 after commission and transportation costs were deducted. The December auction resulted in the sale of two units, of which one was over \$5,000, resulting in a “Price Received by the Authority” (Net Amount) of \$32,355.00, included in the attached Report.

In summary, these two auctions resulted in the sale of 15 units over \$5,000, for a Fleet 4th Quarter “Price Received by the Authority” (Net Amount) of \$242,505.65.

FLEET – Annual Summary and Subtotal

Pages 3 - 5 include 51 disposal transactions with a Sale Price over \$5,000 conducted on behalf of the Authority’s Fleet Operations Division in 2012. The Authority participated in six Fleet-related auctions* conducted by the firm JJ Kane Auctioneers, which resulted in the sale of a total of 109 units comprising light duty vehicles, heavy duty trucks and special equipment. Of this number, there were 51 disposal transactions with a Sale Price over \$5,000, which are listed on the attached Report. The total auction “Sale Price” (Gross) for these 51 units was \$639,600.00, which resulted in a “Price Received by the Authority” (Net Amount) of \$613,243.23 after commission and transportation costs were deducted.

*There were two auctions held on March 24, 2012, in Medford (Long Island) and Rome, NY, that resulted in the sale of a total of 8 units, all under \$5,000 and therefore are not included in the attached Report. The third auction was held on May 5, 2012 in Rome, NY and resulted in the sale of 33 units, of which 14 were over \$5,000. The fourth auction was held on August 25, 2012 in Rome, NY and resulted in the sale of 33 units, of which 22 were over \$5,000. The fifth and sixth auctions are summarized above under Fourth Quarter activity.

Additionally, at their meeting of June 26, 2012, the Authority's Trustees approved the transfer of ten (10) Authority fleet vehicles to the New York State Office of General Services ("OGS") for use by OGS in furtherance of its strategic goal to minimize state expenditures and become as efficient as possible in the use of all resources at their disposal. Nine (9) such transfers were completed as of 12/31/12, as listed on page 6 of the attached Report.

In summary, the **Fleet Total "Price Received by the Authority" in 2012 for the 51 auction transactions over \$5,000 was \$613,243.23.**

Grand Total as of 12/31/12

As summarized on page 6 of the attached Report, the **2012 Grand Total "Price Received by the Authority" (Net Amount)** for all Personal Property in excess of \$5,000 was **\$951,867.95** [Sale Price (Gross) \$978,224.72 less \$26,356.77 (commission / transportation fees, where applicable)]. (It should be noted that an additional \$42,610.76 was received for the sale of 58 Fleet units with a value less than or equal to \$5,000, which are not included in the attached Report.)

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 9,137.44	\$ 9,137.44
PRIME POWER EMERGENCY DUTY GENERATOR SETS (3) AT B-G PROJECT	CAMP AUTO & TRUCK PARTS INC	\$ 18,200.00	\$ 18,200.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 7,974.76	\$ 7,974.76
SCRAP METALS AT ST. LAWRENCE PROJECT	WEITSMAN RECYCLING LLC	\$ 12,950.00	\$ 12,950.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,290.45	\$ 8,290.45
SCRAP COPPER CABLE (FROM SCPP – HELL GATE) AT POLETTI PROJECT	GERSHOW RECYCLING	\$ 15,871.00	\$ 15,871.00
LEBLOND SPECIAL LATHE AT CLARK ENERGY CENTER	MACHINERY EXPERT	\$ 145,000.00	\$ 145,000.00

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
SCRAP METALS AT ST. LAWRENCE PROJECT	WEITSMAN RECYCLING LLC	\$ 6,445.60	\$ 6,445.60
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,523.47	\$ 8,523.47
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 8,584.68	\$ 8,584.68
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 79,365.00	\$ 79,365.00
SCRAP METALS AT NIAGARA PROJECT	NIAGARA METALS LLC	\$ 10,006.32	\$ 10,006.32
MISCELLANEOUS SURPLUS METAL AT CLARK ENERGY CENTER	BRAD WEAKLEY EXCAVAT- ING LLC	\$ 8,276.00	\$ 8,276.00
	SUBTOTAL:	\$ 338,624.72	\$ 338,624.72

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
1980 SEFAC 6 TON VEHICLE LIFT	S & N AUTO SALES	\$ 5,500.00	\$ 265.00	\$ 5,235.00
1988 HYSTER FORKLIFT	CASSONE LEASING INC	\$ 9,000.00	\$ 378.75	\$ 8,621.25
1997 FONTAINE POLE TRAILER	COOPERSBURG KENWORTH	\$ 5,100.00	\$ 267.28	\$ 4,832.72
1998 EAGER BEAVER TRAILER	CARVER CONSTRUCTION INC	\$ 12,500.00	\$ 710.00	\$ 11,790.00
2000 CHEVY K2500 PICKUP	B J MOTORS	\$ 6,500.00	\$ 309.28	\$ 6,190.72
2000 CHEVY K3500 PICKUP	UPSTATE AUTO SALES INC	\$ 6,750.00	\$ 316.78	\$ 6,433.22
2000 FONTAINE POLE TRAILER	COOPERSBURG KENWORTH	\$ 5,200.00	\$ 270.28	\$ 4,929.72
2000 GROVE YB4415XT CRANE	KUSTOM EQUIPMENT REPAIR INC	\$ 34,500.00	\$ 2,145.00	\$ 32,355.00
2000 INTERNATIONAL TRUCK	STEVEN J HALL GENERAL CONTRACTOR INC	\$ 15,500.00	\$ 579.28	\$ 14,920.72
2000 JOHN DEERE TRACTOR	HALSEY MACHINERY CO INC	\$ 5,750.00	\$ 281.25	\$ 5,468.75
2000 TRAILZEZE TILTBED TRAILER	HALSEY MACHINERY CO INC	\$ 5,500.00	\$ 328.10	\$ 5,171.90
2001 BOBCAT EXCAVATOR-MINI	BRAVO AUTO SALES INC	\$ 15,000.00	\$ 558.75	\$ 14,441.25
2001 BOBCAT SKIDSTEER LOADER	CARVER CONSTRUCTION INC	\$ 12,000.00	\$ 523.13	\$ 11,476.87
2001 FREIGHTLINER TRACTOR	MARTIN'S FARM TRUCKS LLC	\$ 28,000.00	\$ 1,057.50	\$ 26,942.50
2001 KENWORTH T800B TRUCK	RIDGE ROAD LEASING LLC	\$ 79,000.00	\$ 2,484.28	\$ 76,515.72
2001 TRAILZEZE LOWBOY TRAILER	ALDEN TRUCKS LTD	\$ 19,500.00	\$ 699.28	\$ 18,800.72
2002 CARGO VAN	UPSTATE AUTO SALES INC	\$ 6,500.00	\$ 303.75	\$ 6,196.25
2002 CHEVY K2500 PICKUP	B J MOTORS	\$ 8,500.00	\$ 363.75	\$ 8,136.25
2002 FORD F350 PICKUP	CASSONE LEASING INC	\$ 6,200.00	\$ 294.75	\$ 5,905.25
2002 POLARIS ATV	L P TRUCKING	\$ 6,500.00	\$ 303.75	\$ 6,196.25
2002 POLARIS ATV	JABLONSKI DAIRY	\$ 6,000.00	\$ 288.75	\$ 5,711.25

* Sale Price less commission/transportation costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
2003 FREIGHTLINER TRACTOR	MARTIN'S FARM TRUCKS LLC	\$ 46,000.00	\$ 1,597.50	\$ 44,402.50
2003 GMC K2500 PICKUP	B J MOTORS	\$ 8,000.00	\$ 354.28	\$ 7,645.72
2004 CHEVY CARGO VAN	JETS AUTO	\$ 8,750.00	\$ 371.25	\$ 8,378.75
2004 CHEVY TAHOE	WILLIAM CHMIELEWSKI	\$ 7,500.00	\$ 339.40	\$ 7,160.60
2004 FORD F350 PICKUP	UPSTATE AUTO SALES INC	\$ 8,000.00	\$ 354.28	\$ 7,645.72
2004 TOYOTA PRIUS	B J MOTORS	\$ 5,500.00	\$ 273.75	\$ 5,226.25
2005 FORD ESCAPE	JOHN WILCOX JR	\$ 6,750.00	\$ 311.25	\$ 6,438.75
2005 FORD F250 PICKUP	MARK LEHAN	\$ 8,400.00	\$ 366.28	\$ 8,033.72
2006 FORD E350 VAN	KEN LUGIBIHL AUTO & TRUCK SALES INC	\$ 11,000.00	\$ 438.75	\$ 10,561.25
2006 FORD E350 VAN	KEN LUGIBIHL AUTO & TRUCK SALES INC	\$ 11,000.00	\$ 438.75	\$ 10,561.25
2007 CHEVY IMPALA	R F RUSSO	\$ 6,400.00	\$ 300.75	\$ 6,099.25
2007 FORD F250 PICKUP	MIRARCHI BROTHERS INC	\$ 22,000.00	\$ 768.75	\$ 21,231.25
2007 FORD F350 PICKUP	EARTH MOTOR CARS	\$ 12,500.00	\$ 489.28	\$ 12,010.72
2007 FORD F350 PICKUP	EARTH MOTOR CARS	\$ 12,500.00	\$ 489.28	\$ 12,010.72
2007 FORD F350 PICKUP	EARTH MOTOR CARS	\$ 13,000.00	\$ 504.28	\$ 12,495.72
2007 FORD F350 PICKUP	B J MOTORS	\$ 10,000.00	\$ 408.75	\$ 9,591.25
2007 FORD F350 PICKUP	MIRARCHI BROTHERS INC	\$ 22,000.00	\$ 768.75	\$ 21,231.25
2007 FORD F350 PICKUP	MIRARCHI BROTHERS INC	\$ 22,000.00	\$ 768.75	\$ 21,231.25
2007 FORD F350 PICKUP	MIRARCHI BROTHERS INC	\$ 22,000.00	\$ 768.75	\$ 21,231.25
2007 KUT KWICK SSM3 MOWER	LAMONICA MOTOR SALES	\$ 7,500.00	\$ 333.75	\$ 7,166.25
2007 POLARIS ATV	L P TRUCKING	\$ 6,500.00	\$ 303.75	\$ 6,196.25

* Sale Price less commission/transportation costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
2007 TOYOTA PRIUS	MELLACE AUTO	\$ 7,000.00	\$ 318.75	\$ 6,681.25
2007 TOYOTA PRIUS	UNIQUE AUTO PLAZA	\$ 6,600.00	\$ 306.75	\$ 6,293.25
2008 CHEVY AVALANCHE	US 27 NORTH AUTO SALES	\$ 10,000.00	\$ 408.75	\$ 9,591.25
2008 CHEVY IMPALA	COLLIER FARMS LLC	\$ 6,300.00	\$ 297.75	\$ 6,002.25
2008 CHEVY IMPALA	R F RUSSO	\$ 6,500.00	\$ 303.75	\$ 6,196.25
2008 CHEVY IMPALA	BRAVO AUTO SALES INC	\$ 6,400.00	\$ 300.75	\$ 6,099.25
2008 CHEVY IMPALA	R F RUSSO	\$ 6,600.00	\$ 306.75	\$ 6,293.25
2008 CHEVY IMPALA	BRAVO AUTO SALES INC	\$ 6,400.00	\$ 300.75	\$ 6,099.25
2008 CHEVY IMPALA	JOSEPH RUIZ	\$ 7,500.00	\$ 333.75	\$ 7,166.25
FLEET SUBTOTAL:		\$ 639,600.00	\$ 26,356.77	\$ 613,243.23

* Sale Price less commission/transportation costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000
FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Commission/ Transportation Fees	PRICE RECEIVED * by the Authority
<u>TRANSFERRED TO NYS OGS:</u>				
2005 CHEVY TAHOE	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2005 FORD ESCAPE	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2007 CHEVY TAHOE	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2007 TOYOTA HIGHLANDER	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2007 TOYOTA HIGHLANDER	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2009 DODGE DURANGO	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2009 TOYOTA HIGHLANDER	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2010 CHEVY TAHOE	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
2011 CHEVY TAHOE	NYS OGS - FLEET MANAGEMENT	N/A	N/A	N/A
FLEET SUBTOTAL Page 5:		\$ 639,600.00	\$ 26,356.77	\$ 613,243.23
+ SUBTOTAL Page 2:		<u>\$ 338,624.72</u>	---	<u>\$ 338,624.72</u>
GRAND TOTAL:		<u>\$ 978,224.72</u>	\$ 26,356.77	<u>\$ 951,867.95</u>

* Sale Price less commission/transportation costs. Includes items where the Sale Price and/or the estimated Fair Market Value exceeded \$5,000.

**ACQUISITION AND DISPOSAL OF REAL PROPERTY
JANUARY 1 – DECEMBER 31, 2012**

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee approved Expenditure Authorization Procedures. The reporting period is January 1 – December 31, 2012.

I. ACQUISITIONS

Burrows Excavation – The real estate group along with NYPA's law department settled a long-standing litigation with Burrows Excavating on terms very favorable to the Authority. This settlement included the conveyance by Burrows of an access easement to allow NYPA to gain access to critical infrastructure on the NATL. This Indenture was filed on June 6, 2012.

Niagara University – Acquired from Niagara University a small parcel of property adjacent to the Niagara Power Plant to be used for the construction and maintenance of a decorative wall and berm. This wall is to visually shield a portion of the NYPA substation from the Niagara University campus. This acquisition resolves an important licensing commitment. This Indenture was recorded on May 25, 2012.

CSX Railroad – Acquired permanent rights to cross CSX's tracks which allows permanent access to the Authority into the newly dedicated ice boom storage site.

Mike Woodward – Acquired 1,500 linear feet to be used as off right-of-way access from Mr. Woodward. This easement also allows us to use an existing road thereby saving the Authority major cost of building its own road into this region of the NATL. This Indenture was recorded on February 27, 2012.

Niagara Mohawk Power Corporation/National Grid

The Real Estate group finalized an Assumption and Assignment Agreement with National Grid to secure an easement to a portion of the NATL right-of-way near Clay, NY. This matter had been outstanding since the relocation of the Clay substation in 2007. The agreement was filed in the Onondaga County Clerk's office on September 26, 2012.

Jay and Nancy Fisher

A Grant of Easement from Jay P. and Nancy Gray Fischer was finalized for the acquisition of 0.80 of an acre for a distribution line and 0.02 of an acre for a newly established anchor for the PV-20 line. These permanent easements were acquired for the PV-20 line and the Grant of Easement was recorded in the Clinton County Clerk's Office on July 30, 2012.

Danger Tree Permits/Land Use Permits – Danger tree permits acquired and land use permits issued along NYPA’s transmission system.

During this reporting period, the Authority acquired 64 danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, Plattsburgh-Vermont, and Gilboa-New Scotland. This is an on-going effort.

In addition, the real estate group issued 27 land use permits for use of the Authority’s easement areas. These permits, with their accompanying insurance requirements, assure the use of the Authority’s easement consistent with the operation of our transmission lines. In addition, these permits can be used to allow other State and municipal entities use of NYPA facilities. A listing of these permits and their respective purposes is set out below.

Permit No. WPO-11-2P
Permittee Westchester County Narcotics Initiative
Type of Permit Temporary Use
Purpose Use a portion of the 7th floor in the WPO building for general office purposes and for no other purpose.
Date Issued 1/12/2012

Permit No. MS-11-4P
Permittee Forestry Services
Type of Permit Special Use Permit
Purpose Construct, install, maintain and repair an access road to run perpendicularly across the Authority's transmission line easement.
Date Issued 1/13/2012

Permit No. WPO-11-1P
Permittee Westchester County Office of the District Attorney
Type of Permit Temporary Use
Purpose Use a portion of the 7th floor in the WPO building for general office purposes and for no other purpose.
Date Issued 1/18/2012

Permit No. CEC-11-1P
Permittee Development Authority of the North Country
Type of Permit Permit Requiring Insurance
Purpose Construct, install, operate, maintain, repair, replace and remove a fiber optic system to be lcoated underground across the Authority's fee from an existing utlity pole on Glass Factory Road to and through and within the Authority's Marcy to Edic 345 kV transmission line easement.
Date Issued 3/26/2012

Permit No.	MRG-10-1P-A1
Permittee	ALCOA, Inc.
Type of Permit	Permit
Purpose	Install, operate, maintain, repair, replace, and remove a monitoring and pump well and two piezometers between the Authority's MRG 1 and MRG 2 115 kV transmission lines together with the necessary accessories and appurtenances thereto. Amendment 1 - modify the previously installed wells on said permit for 3 additional wells along with a pipe within a pipe water transfer system. The extraction well system is to consist of 5 four inch wells submersible pumps, pump controllers, and piping.
Date Issued	4/26/2012
Permit No.	SLPP-12-3P
Permittee	Massena Joint Recreation Commission
Type of Permit	Site Access Agreement
Purpose	Access the area of Hawkins Point for the sole purpose of a Children's Fishing Derby on May 19, 2012.
Date Issued	5/19/2012
Permit No.	NPP-12-1P
Permittee	OPR&HP
Type of Permit	Permit Requiring Insurance
Purpose	Construct, operate, maintain, repair, replace and remove, a public park, outdoor amphitheater and certain improvements on other structures, together with necessary accessories and appurtenances thereto.
Date Issued	5/21/2012
Permit No.	SLPP-12-2P
Permittee	Clarkson University/Langen and Stryszowska
Type of Permit	Site Access Agreement
Purpose	Access to the wetland sites for the sole purpose of biodiversity sampling of the wetlands.
Date Issued	5/22/2012
Permit No.	BG-09-1P-A1
Permittee	NYSE&G
Type of Permit	Permit Requiring Insurance
Purpose	Amendment 1 issued to add "Authority does hereby grant permission to the Permittee to extend the said distribution line by adding 2 poles numbered 8 and 9 along with aerial wires and removal of trees and brush." Construct, install, operate, maintain, repair, replace, and remove a distribution line to service a residence consisting of two (2) poles, one (1) anchor and 500 feet of aerial (overhead) conductor along the easterly shoulder of the Haul Road which is owned in fee by the Authority together with the necessary accessories and appurtenances thereto. AMENDMENT I - Authority grants permission to the Permittee to extend the said distribution line by adding 2 poles, numbered 7 and 9 along with aerial (overhead) wires and removal of trees and brush.
Date Issued	5/24/2012
Permit No.	NPP-12-2P
Permittee	Niagara Falls Bridge Commission
Type of Permit	Permit Requiring Insurance
Purpose	repairs to the United States side of the Rainbow Bridge, including but not limited to skewback concrete, bridge seat, column spall and pedestrian sidewalk. together with necessary accessories and appurtenances thereto
Date Issued	6/8/2012

Permit No.	NPP-12-5P
Permittee	Niagara Tourism and Convention Corporation
Type of Permit	Special Use Permit
Purpose	Use of the Power Authority's Power Vista parking lots B2 and C only for parking for the public from 5 p.m. 6/15/12 to 1 a.m. 6/16/12. This is for a special event.
Date Issued	6/15/2012
Permit No.	WP-11-2P-A1
Permittee	Marble River, LLC
Type of Permit	Permit Requiring Insurance
Purpose	Construct, operate and maintain a 34.5 kV underground collection lines and fiber optic cable(s) for Wind Turbine Generator ("WTG") #100-R which will cross the Authority's transmission line perpendicularly and to construct, install and maintain sediment and erosion control devices and all necessary accessories and appurtenances thereto. AMENDMENT 1 dated 6/5/2012 allows Marble River to complete a directional drill perpendicularly to the north, under and across the Authority's easement from Directional Drill Staging Area.
Date Issued	6/21/2012
Permit No.	NPP-12-4P-A1
Permittee	Maid of the Mist Corporation
Type of Permit	Permit Requiring Insurance
Purpose	Gain access and the investigation of existing conditions at the former Schoellkopf Power Plant Site as shown on attachment "B" and to conduct all work as described in attachment "C".
Date Issued	7/18/2012
Permit No.	SLPP-12-4P
Permittee	Rene Paige
Type of Permit	Sign Permit
Purpose	Erect and maintain 1 sign at the intersection of County Route 42 and NY State Route 131 at the corner convenience store. Sign is to be 40" x 96", double sided with a lighted flashing arrow.
Date Issued	7/20/2012
Permit No.	ME-12-1P
Permittee	National Grid
Type of Permit	Permit Requiring Insurance
Purpose	Install, operate, maintain, repair, replace, and remove an existing distribution pole (P-12) with another distribution pole with the same number, being 35 feet in length and transfer conductors (7.62 kV) within the Authority's easement.
Date Issued	7/23/2012
Permit No.	BG-95-1P-AII
Permittee	Schoharie County
Type of Permit	Permit Requiring Insurance
Purpose	Operate, maintain, repair, and replace the following Authority facilities: an existing communication house (20' x 12') and a 100' lattice steel tower which is located within the confines of a 40' x 30' fenced area together with a communications transfer and emergency generator and other necessary accessories and appurtenances thereto.
Date Issued	8/1/2012

Permit No.	SLPP-12-5P
Permittee	Town of Waddington and Majestic Fireworks, Inc.
Type of Permit	Access
Purpose	Access to the area on Ogden Island for a fireworks display.
Date Issued	8/3/2012
Permit No.	SLPP-12-6P
Permittee	St. Lawrence Co. Chamber & Young Explosives
Type of Permit	Access
Purpose	Access to the area designated as the site for a fireworks display.
Date Issued	8/16/2012
Permit No.	SLPP-12-1P
Permittee	Peak Sport Solutions
Type of Permit	Special Use
Purpose	Conduct half marathon and 5K road race partially on Power Authority property.
Date Issued	9/26/2012
Permit No.	SLPP-12-7P
Permittee	Special Olympics New York, Inc.
Type of Permit	Site Access Agreement
Purpose	Access to the St. Lawrence FDR Power Project Visitors Center for the sole purpose of the Special Olympics Polar Plunge on November 10, 2012.
Date Issued	11/9/2012
Permit No.	NATL-12-3P
Permittee	COR Verplank Road Company, LLC
Type of Permit	Permit Requiring Insurance
Purpose	Construct, maintain, repair, replace, and remove a town road which will be an extension of Dell Center Drive along with a water and sanitary sewer lines across the Authority's easement and 2 storm sewer end sections into the northerly side of said easement together with the necessary accessories and appurtenances thereto.
Date Issued	11/16/2012
Permit No.	NPP-12-4P-A2
Permittee	Maid of the Mist Corporation
Type of Permit	Permit Requiring Insurance
Purpose	Amend Permit NPP-12-4P-A1 by granting permission to the Maid of the Mist Corporation and International Chimney Corporation to perform rock scaling along the gorge face and to allow Maid of the Mist to conduct investigation borings.
Date Issued	12/13/2012
Permit No.	NATL-12-7P
Permittee	Larry Maturo and Anna Monteleone
Type of Permit	Special Use Permit
Purpose	Install, maintain, and repair a wood fence, six (6) feet high and five (5) feet into the Authority's easement.
Date Issued	12/14/2012
Permit No.	NATL-12-10P
Permittee	Michael J. Appel
Type of Permit	Special Use Permit
Purpose	Maintain, repair and remove an existing shed 10 x 12 feet which is on the Authority's easement.
Date Issued	12/14/2012

Permit No.	NATL-12-11P
Permittee	Scott and Donita Chester
Type of Permit	Special Use Permit
Purpose	Maintain, repair and remove an existing shed 10 x 12 feet which is on the Authority's easement.
Date Issued	12/14/2012
Permit No.	NATL-12-12P
Permittee	Raymond B. Pattraw
Type of Permit	Special Use Permit
Purpose	Maintain, repair and remove an existing shed 10 x 12 feet which is on the Authority's easement.
Date Issued	12/14/2012
Permit No.	GF-12-2P
Permittee	Baillie Lumber Company
Type of Permit	Permit Requiring Insurance
Purpose	Cross perpendicularly under the Gilboa-Fraser Transmission line for a logging operation outside of the Authority's easement. The Permittee is also granted permission to maintain and repair, the temporary road during and upon completion of the logging operation.
Date Issued	12/19/2012

II. DISPOSITIONS

Erie Canal Harbor Development Corporation - Transferred to ECHDC a 14 acre site located on the shore of Lake Erie. This site had been owned by the Power Authority since 1973 and had been used for the laydown and storage of NYPA's ice boom. NYPA recently acquired a 10 acre site located 2 miles up the Buffalo River which the Authority has modified to use as the new laydown area for the ice boom. This conveyance frees up valuable Lake Erie front property for public development. This conveyance was recorded in the Erie County Clerk's office on May 2, 2012. This also takes care of a long-standing NPP relicensing commitment.

The Niagara Aquarium Foundation – Real Estate conveyed a parcel of property to The Niagara Aquarium Foundation. This property is to be used to improve the landscaping and visual impact on the north side of the property. This conveyance occurred on March 13, 2012 and satisfies a NPP relicensing commitment.

National Grid – Conveyed an easement to National Grid for the construction, operation, and maintenance of a distribution electric line. This line provides power into the new ice boom storage site as well as providing power to the new and newly dedicated Mutual Riverfront Park.

McDonald – We released an easement that had been used for a distribution line to one of NYPA's communication towers. This easement became surplus to NYPA's needs. This release was effectuated May 25, 2012 and takes care of an outstanding liability concern.

Niagara Mohawk Power Corporation and Verizon Communications, Inc. – Conveyed an easement to Niagara Mohawk Power Corporation and Verizon Communications, Inc. for the construction,

operation, and maintenance of a distribution electric line. This line provides power into the Coles Creek State Park.

III. LEASING

Headquarters Leasing

The Authority maintains facilities which it leases or subleases out to various tenants. The majority of available space in the building at 123 Main Street is leased through this reporting period. The remaining available space is currently listed with our broker, Newmark Knight Frank, which has been actively marketing and showing the space.

Our total inventory of landlord leases, which generates more than \$2.6M in annual revenue, is set out in the table below.

FACILITY	TENANT	PURPOSE	EXPIRATION	ANNUAL RENTAL
WPO	Berman Bavero	Office Space	9/30/2014	\$201,211.00
WPO	Danziger & Markhoff	Office Space	3/31/2017	\$310,227.00
WPO	Hodagaya Chemical	Office Space	5/31/2015	\$69,817.00
WPO	Federal Bar	Office Space	7/31/2016	\$63,817.00
WPO	Continental III, Inc.	Restaurant	2/28/2011	\$34,470.00
WPO	Arch Wireless	Beeper System (WPO Garage)	10/31/2011	\$5,400.00
WPO	Thomas M. Bona, PC	Office Space	12/31/2016	\$290,376.00
WPO	SKCG Group , Inc.	Office Space	1/31/2014	\$464,928.00
WPO	Community Mutual	Office Space	4/30/2015	\$173,491.00
WPO	Misys	Office Space	12/31/2016	\$705,600.00
WPO	Westchester Philharmonic	Office Space	12/31/2014	\$10,875.00
WPO	West. Co. Narcotics Initiative	Office Space (Permit for Temporary Use)	12/31/2014	\$45,780.00
WPO	West. Co. District Attorney	Office Space (Permit for Temporary Use)	12/31/2014	\$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 for Temporary Use)	OPEN	\$5,361.00
WPO	NYS Retirement System	Office Space - part time	12/31/2012	\$6,900.00
WPO	Canter Law Firm	Office Space	10/31/2017	\$53,160.00
SL/FDR	Lake St. Lawrence Yacht	Lease of Land	4/30/2013	\$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	\$300.00
NPP	Great Lakes Towing	Dock Space for 2 Tugboats	7/31/2015	<u>\$8,700.00</u>
		TOTAL ANNUAL REVENUES		\$2,524,698.00

Canter Law Firm - WPO

During this reporting period, NYPA real estate successfully negotiated, obtained approval from the NYPA Trustees, and finalized the terms of a five year six month lease with Canter Law Firm. This five year six month lease is based on the following terms:

<u>Tenant</u>	<u>Space</u>	<u>Expiration</u>	<u>Annual Rental</u>
Canter Law Firm	2,215 rsf on the 9 th floor	10/31/2017	\$53,160

Danziger & Markhoff – WPO

During this reporting period, NYPA real estate, along with the law department, successfully negotiated to retain Danziger & Markhoff, a long time tenant of the WPO. This amendment reduces Danziger’s space by approximately 3,000 square feet. This amendment is based on the following terms:

<u>Tenant</u>	<u>Space</u>	<u>Expiration</u>	<u>Annual Rental</u>
Danziger & Markhoff	11,281 on the 9 th floor	3/31/2017	\$310,227

SKCG, INC.

During this reporting period, NYPA Real Estate, together with the law department and corporate support, successfully negotiated, obtained approval from the NYPA Trustees and finalized the terms of a ten year, ten month lease extension with a current tenant, Assured SKCG, Inc. This lease is based on the following terms:

<u>Tenant</u>	<u>Space</u>	<u>Expiration</u>	<u>Annual Rental</u>
SKCG, Inc.	19,372 feet on the 14 th floor	6/30/23	\$440,713

Duke Realty

This lease is in support of warehouse needs at the White Plains office and has been renewed until February 28, 2013 at a prorated annual rental of \$48,375.43.

Leasing Support for Operating Projects and Transmission Facilities:

Real Estate concluded lease extensions during this reporting period.

Bartnick’s Garage – This lease is in support of the Transmission business unit and supplies off-site storage conveniently located to the Marcy plant in Utica. This lease extension now has a current expiration date of April 30, 2014.

Wheatfield Office Park – This lease is in support of the LPGP LEM. This lease contains approximately 7,790 square feet and has an annual rental of \$23,448. This lease extends an existing lease for a period of one year commencing November 1, 2012 and ending October 31, 2013.

Niagara University – A First Amendment of Lease was executed between Niagara University and the Power Authority to extend the lease between the parties for an additional one (1) year term to terminate April 30, 2012. Included in this amendment were additional five one (1) year term renewal options which automatically renew unless terminated. This lease allows NYPA to occupy Niagara University property for the construction, reconstruction, operation, and maintenance of an earthen berm and decorative wall. Ultimately, Niagara University conveyed this property to the Authority.

Great Lakes Towing Company

A license between the Authority (Licensor) and The Great Lakes Towing Company (Licensee) was renewed for a new term from August 1, 2012 to July 31, 2015. License signed by Licensee on July 5, 2012 and by Authority on August 1, 2012. This license will allow Great Lakes towing company to use 170 feet of bulkhead/ seawall docking space for two (2) tug boats.

Robert Phillips

Real Estate exercised the option to extend this lease at the Clifton Park space for the use of the energy efficiency department. This lease will terminate December 31, 2013.

Also during this reporting period, Real Estate concluded the following new leases:

Robert Phillips

During this reporting period, the Real Estate group acquired a lease for 437 additional square feet at the Clifton Park office at the request of the energy efficiency group. This lease has an annual rental of \$4,800 and is for calendar year 2013.

DRC, Development, LLC

A new lease was executed between DRC and the Authority for warehouse space in support of the Niagara LEM Project. This lease is for 15,000 sq. ft. and runs from July 1, 2012 through June 30, 2020 at an annual rental of \$108,750.

IV. ST. LAWRENCE RELICENSING

St. Lawrence Lands Program

On October 31, 2001, the Authority filed an application for a new license, pursuant to Sections 4(e) and 15 of the Federal Power Act for the continued operation and maintenance of the 912 megawatt (MW) St. Lawrence F.D.R. Power Project. On February 6, 2003, the Authority filed a "Comprehensive Accord" (Settlement Agreement). On October 23, 2003, the Federal Energy Regulation Commission (hereinafter "FERC") issued an "Order Approving Settlement Agreements, Dismissing Complaint and Issuing New License" in which FERC *inter alia* approved the Settlement Agreement.

As part of the Settlement Agreement, the Authority agreed to several changes to the Project boundary. These proposed changes removed approximately 1,340 acres from the Project. With these changes, the Authority intends to transfer jurisdiction over approximately 741 acres at Galop Island State Park and environmentally sensitive lands in Lisbon and Waddington to other state agencies. The remaining approximately 599 acres of removed lands are in the process of being conveyed either to the affected local municipality or to adjoining landowners, if interested.

For all conveyed lands, the Authority would retain a flowage easement and access easements where appropriate to provide necessary rights to traverse conveyed lands for Project-related activities.

NYPA Surplus Map No	NYPA Surplus Parcel No	Surplus Parcel Acres	Current Owners name	Appraisal Value	Name of Town	Deed Filed in County Clerk
1202C	8720	0.16	Pastore, Curtis and Sara and Pastore, Mary	\$500.00	Lisbon	1/11/2012
1202C	8722	0.16	Margaret MacAulay	\$500.00	Lisbon	4/25/2012
1173C	8444	0.28	JAMES J. DESHAIES and LORI J. DESHAIES	\$4,200.00	Louisville	5/7/2012
1199C	8355	5.06	J. RICHARD MAYETTE	\$25,300.00	Waddington	8/1/2012
1167C	8191	0.42	John C. Krol and Linda W. Krol	\$8,400.00	Waddington	9/4/2012
1157C	8696	0.01	Robert Ryan	\$50.00	Waddington	9/4/2012
1170C	8714	0.35	Alan J. Winney and Marion M. Winney	\$1,050.00	Waddington	9/4/2012
1170C	8717	0.41	M. C. Dale Fockler and Margaret Fockler, Trustees	\$1,230.00	Waddington	9/4/2012
1157C	8686	0.04	Myron F. Burns and Diane Burns	\$200.00	Waddington	9/25/2012
1157C	8687	0.03	Myron F. Burns and Diane Burns	\$150.00	Waddington	9/25/2012
1157C	8688	0.02	Myron F. Burns and Diane Burns	\$100.00	Waddington	9/25/2012
1170C	8711	0.28	Bruce Cook and Sharon Cook	\$840.00	Waddington	9/25/2012
1146C	8204	0.13	Jay V. Brady and Ruth S. Brady	\$2,300.00	Waddington	11/1/2012
1180C	8548	0.26	Mary Madeleine Secours-Carroll	\$3,900.00	Louisville	11/1/2012
1178C	8518	0.16	WILLIAM C. WOOD c/o CHARLES WOOD	\$2,400.00	Louisville	11/19/2012
1170C	8713	0.3	Roger J. Sharlow	\$900.00	Waddington	11/19/2012
1153C	8253	0.01	Lance K. McGaw and Maureen C. McGaw	\$10.00	Waddington	12/7/2012
1153C	8255	0.16	Lance K. McGaw and Maureen C. McGaw	\$250.00	Waddington	12/7/2012
1173C	8447	0.42	Paul Post and Josephine Post	\$6,300.00	Louisville	12/7/2012
1170C	8710	0.20	Theresa Kelly, Lee Hill, and Debra Hill	\$600.00	Waddington	12/7/2012

During this period, twenty deeds were finalized and recorded in the County Clerk's office. This brings the total to 512 of the 599 acres have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 438 parcels have been completed.

GOVERNANCE

SUPPLIER DIVERSITY PROGRAM **January – December 2012**

In the last quarter ending December 31, 2012, NYPA awarded \$18.1 million or 24.4% of our reportable expenditures to New York State-certified Minority and Women-Owned Business Enterprises (M/WBEs). From January - December 2012, the Authority awarded \$ 65.8 million or 19.7% of our reportable expenditures to New York State-certified M/WBEs. This figure represents an all-time high for M/WBE utilization for the Authority. It includes both direct contracts and subcontracts, including construction and energy efficient related work. Reportable expenditures exclude specialty procurements (such as transformers, circuit breakers, turbine runners and other major electrical generating equipment, and commodities such as natural gas, where no M/WBEs are available to provide such goods or services). The mandated goal for fiscal year 2012-2013 remains at 20% and we are well positioned to exceed that goal by the end of this fiscal year.

It should also be noted that during calendar year 2012, Treasury's transactions with five (5) different NYS-certified M/WBE financial dealers totaled over \$258.5 million in principal sales and purchases for the Authority.

2013 Goal plans were prepared and submitted to NYS during the last quarter and we await approval of the plan. NYPA remains responsive to NYS's increased surveys and inquiries regarding M/WBE practices and procedures.

In 2012, NYS implemented their New York State Contracting System applicable to all State agencies and authorities. This system streamlines the M/WBE certification process, creates efficiency through technology and creates an electronic monitoring and compliance system and database to closely and effectively monitor how and whether state agencies are spending state dollars with M/WBE's and utilizing their best efforts to achieve the Governor's goals.

M/WBE Procurement policies were recently updated and in 2013 and we are preparing to hire an additional staff member to assist us in meeting and maintaining NYS's M/WBE requirements.

The Authority continues to actively participate in outreach programs with various M/WBE entities.

INVENTORY STATISTICS

As of December 31, 2012

Facility	2012	2011
Niagara	17,749,189	16,706,072
St. Lawrence	11,039,781	11,241,088
Blenheim-Gilboa	8,334,989	8,079,219
Clark Energy Center	5,176,915	5,096,637
Poletti Project ¹	6,434,477	5,826,991
Flynn Project	13,297,165	13,512,769
500 MW Project ²	25,156,252	23,584,103
Total Stock Value	\$87,188,768	\$84,046,879

¹ Includes \$8.4 million reduction in Poletti inventory due to divestiture, completed Oct. 2011.

² Includes \$4.1 million for purchase of spare gas compressor, compressor blades, OEM valves and packing head.

POWER AUTHORITY OF THE STATE OF NEW YORK
2012 ANNUAL REPORT OF PROCUREMENT CONTRACTS
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879
FOSSIL FUELS ADDENDUM

March 21, 2013
Exhibit "2b-6"

FACILITY: WPO FOSSIL FUELS

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T E	Y A	M A	R A	O A	P A	M E	B E	B S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2008-10	UNITED ENERGY TRADING, LLC 215 Union Blvd. Suite 425 Lakewood CO 80228	Natural Gas Purchase	E	B			F				39	55,358,903	55,358,903	17,317,306	0	11/19/2008	O	*	
FD-2007-09	INUPIAT ENERGY (Formerly ENJET, INC) 5373 West Alabama- Suite 502 Houston, TX 77056	Natural Gas Purchase	E	B			F				39	148,511,468	148,511,468	4,447,445	0	3/21/2007	O	*	
FD-2001-23	SEMPRA 58 Commerce Road Stamford, CT 06902	Natural Gas Purchase	E	B			F				39	168,290,671	168,290,671	0	0	12/01/01	O	*	
FD-2009-03	NATIONALGRID -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Balancing Service	E	1			O	F				4,400,000	4,400,000	1,100,000	0	01/01/09	O	12/31/14	
FD-2009-04	NATIONAL GRID -LI (Flynn) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	1			O	F				9,682,335	9,682,335	2,979,545	0	01/01/09	O	12/31/14	
FD-2009-05	NATIONALGRID -NY(GKP) One Metrotech Center Brooklyn, NY 11201	Transport Service	E	1			O	F				5,656,194	5,656,194	1,252,400	0	03/01/09	O	03/31/14	
FD-2009-06	NATIONALGRID -LI(Brentwood) 100 E Old County Rd Hicksville, NY 11801	Transport Service	E	1			O	F				630,512	630,512	302,559	0	03/01/09	O	03/31/14	
FD-2009-07	CONOCO PHILLIPS COMPANY 600 North Dairy Ashford Houston, TX 77079	Natural Gas Purchase	E	B			F				39	28,922,470	28,922,470	3,867,409	0	05/01/09	O	*	
FD-2010-01	JLA ENERGY LLC Two Riverway, Suite 730 Houston, Tx 77056	Natural Gas Purchase	E	B			F				39	1,010,427	1,010,427	641,750	0	02/01/10	O	*	
FD-2010-02	IBERDROLA RENEWABLES 1125 N.W. Couch St. Suite 700 Portland, OR 97209	Natural Gas Purchase	E	B			F				39	14,020,974	14,020,974	48,750	0	08/09/10	O	*	
FD-2002-11	PSEG ENERGY RESOURCES 80 Park Plaza Fl T19 Newark, NJ 07102	Natural Gas Purchase	E	B			F				39	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				39	83,241,402	83,241,402	0	0	04/22/03	O	*	
FD-2003-10	BP ENERGY COMPANY 501 WestLake Park Houston, TX 77253	Natural Gas Purchase	E	B			F				39	205,598,782	205,598,782	8,651,295	0	10/01/04	O	*	

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FD-2003-12	CONSTELLATION POWER SOURCE 111 MARKET Place BALTIMORE, MD 21202	Natural Gas Purchase	E	B		F		39	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		39	590,400,470	590,400,470	46,670,205	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		39	64,317,883	64,317,883	4,958,130	0	04/01/04	O	*	
FD-2004-09	SOUTHWEST ENERGY LP Two Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F		39	180,117,537	180,117,537	655,888	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		39	95,732,355	95,732,355	977,445	0	11/01/04	O	*	
FD-2005-02	BOSS ENERGY LTD 20445 State Hwy 249 Houston, TX 77070	Natural Gas Purchase	E	B		F		39	73,839,766	73,839,766	0	0	01/25/05	O	*	
FD-2005-12	NJR ENERGY SERVICES CO. 1415 Wyckoff Road Wall, NJ 07719	Natural Gas Purchase	E	B		F		39	205,993,112	205,993,112	42,204,557	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		39	126,500,213	126,500,213	0	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		39	44,715,916	44,715,916	0	0	07/21/06	O	*	
FD-2006-07	TEXAS GAS TRANSMISSION 3800 Frederica Street Owensboro, KY 42301	Firm Gas Transport/Demand Agreement	S	1		F			23,087,732	23,087,732	3,273,458	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	1		F			17,079,227	17,079,227	2,525,792	0	07/01/06	O	10/31/17	
FD-2006-09	TRANSCONTINENTAL GAS PIPELINE (TGPL. 5316) 2800 Post Oak Blvd Houston, TX 77056	Firm Gas Transport/Demand Agreement	S	1		F			9,846,479	9,846,479	1,456,775	0	08/04/06	O	03/31/17	

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FD-2006-12	TENASKA MARKETING VENTURES 11718 Nicholas Street Omaha, NE 68154	Natural Gas Purchase	E	B		F		39	14,856,923	14,856,923	3,255,822	0	10/01/06	O	*	
FD-2007-08	ASSOCIATED ENERGY SERVICES (Formerly Spark Energy Gas) 3010 Briorpark Dr. Suite 550 Houston, TX 77042	Natural Gas Purchase	E	B		F		39	103,570,921	103,570,921	13,059,505	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	1		F			34,302	34,302	0	0	7/17/2006	O	*	
FD-2008-01	eCORP ENERGY MARKETING Ten Thousand Memorial Houston, TX 77024-3410	Natural Gas Purchase	E	B		F		39	72,450	72,450	0	0	02/01/08	O	*	
FD-2008-02	CIMA-ENERGY LTD. 1221 McKinney Houston, Tx 77010	Natural Gas Purchase	E	B		F		39	14,597,304	14,597,304	0	0	03/01/08	O	*	
FD-2008-05	SEQUENT ENERGY MGT 1200 Smith Street Houston, TX 77010	Natural Gas Purchase	E	B		F		39	36,067,470	36,067,470	38,250	0	03/01/08	O	*	
FD-1990-33	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt (SETAUKET)	E	1		F			12,469,227	12,469,227	525,327	0	04/01/94	O	09/30/13	
FD-1990-34	NORTHVILLE INDUSTRIES CORP (Formerly TOSCO PIPELINE COMPANY) 25 Melville Park Rd Melville, NY 11747	Oil Storage Agmt. (HOLTSVILLE)	E	1		F			3,940,567	3,940,567	132,184	0	10/01/93	O	09/30/13	
FS-1994-17	MERRILL LYNCH (Formerly ENTERGY-KOCH TRADING) (Formerly KOCH) 20 E Greenway Plaza Houston, TX 77046	Natural Gas Purchase	E	B		F		39	269,629,697	269,629,697	2,858,616	0	07/01/94	O	*	
FS-1997-22	COLONIAL ENERGY 2 Riverway Suite 2000 Houston, TX 77056	Natural Gas Purchase	E	B		F		39	430,361,331	430,361,331	11,714,459	0	05/01/97	O	*	

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Exhibit "2b-6"

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FD-2008-09	CON EDISON, INC. (Balancing & Demand) 4 Irving Place New York, NY 10003	Transport & Balancing Service	E	1			F				19,661,463	19,661,463	5,075,986	0	08/01/08	O	04/30/16		
FD-2008-06	MACQUARIE COOK ENERGY 10100 Santa Monica Blvd los Angeles, CA 90067	Natural Gas Purchase	E	B			F			39	46,524,372	46,524,372	3,208,327	0	07/01/08	O	*		
FD-2008-12	eSERVICES, LLC 4461 Cox Road, Suite 113, Glenn Allen, Virginia 23060	Natural Gas Purchase	E	B			F			39	520,725	520,725	0	0	12/01/08	O	*		
FD-2011-01	BG ENERGY MERCHANTS, LLC 5444 Westheimer Suite 1200 Houston, Tx 77056	Natural Gas Purchase	E	B			F			39	32,578,366	32,578,366	27,577,588	0	03/01/11	O	*		
FD-2011-02	YAKA ENERGY, LLC 46411 Timine Way Pendleton, OR 97801	Natural Gas Purchase	E	B			F	X		39	10,484,100	10,484,100	5,010,502	0	03/01/11	O	*		
FD-2011-06	EDF Trading N. America, LLC 4700 West Sam Houston Pky North Suite 25 Houston, Tx 77041	Natural Gas Purchase	E	B			F			39	5,753,161	5,753,161	2,465,945	0	06/01/11	O	*		
FD-2012-02	REPSOL ENERGY NORTH AMERICA 2001 Timberloch Place Suite 3000 The Woodlands, Tx 77380	Natural Gas Purchase	E	B			F			39	1,397,660	1,397,660	1,397,660	0	11/13/12	O	*		
FD-2011-04	SAYBOLT LP Core Laboratories 6316 Windfern Rd, Houston Texas 77040	Oil Inspectors	S	B			F				31,318	31,318	21,618	0	01/01/11	O	12/31/13		
FUELS TOTALS											3,226,384,557	3,226,384,557	219,672,498						

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.

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CORPORATE FINANCE ADDENDUM

EXHIBIT "2b-7"
March 21, 2013

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	P O A	M B D E S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Bank of New York (formely JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N		421,802	421,802	25,919	-	2/24/1998	O	*	
Bank of New York (formely JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- ARTN	S	C	9	N		211,598	211,598	21,247	-	9/2/2003	O	3/1/2020	
Bank of New York (formely JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N		121,591	121,591	23,848	-	10/2/2006	O	*	
Bank of Nova Scotia One Liberty Plaze, 26th Fl. New York, NY 10006	Revolving Line of Credit for ARTN	S	C	9	N	6	1,300,901	952,337	153,451	348,564	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		1,290,819	1,290,819	156,293	-	7/14/1994	O	*	
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	2	9	N		10,775	10,775	-	-	6/26/2008	O	*	
Citigroup 390 Greenwich Street New York, NY 10013	Re-marketing Agent CP-2	S	C	9	N		453,783	453,783	16,433	-	12/4/1997	O	*	
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing Agent CP-2 and 3	S	C	9	N		934,559	934,559	30,436	-	12/4/1997	O	*	

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PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	P O A	N P A	M B D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Goldman, Sachs & Co. 85 Broad Street New York, NY 10004-2456	Re-marketing EMCP	S	C	9	N			720,743	720,743	82,523	-	3/4/2003	O	*	
Goldman, Sachs & Co. ** 85 Broad Street New York, NY 10004-2456	ART Notes Remarketing	S	C	9	N			2,005,435	2,005,435	148,905	-	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			215,025	215,025	19,501	-	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N			589,083	589,083	18,302	-	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N			500,369	500,369	19,370	-	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2011	S	C	9	N	2		10,928,889	7,100,556	3,649,583	3,828,333	1/20/2011	O	1/20/2014	

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R O A	P O A	M B D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2012	CONTRACT BALANCE	DATE OF CONTRACT	O \ C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Morgan Stanley 1221 Avenue of the Americas New York, NY 10020	Re-marketing Agent CP-1	S	C	9	N	7	167,929	167,929	51,155	-	3/31/2009	O	*	
RBC Capital Markets ** 1211 Avenue of the Americas New York, NY 10036	Re-marketing Agent CP-1	S	C	9	N		270,057	270,057	98,033	-	7/14/1994	O	*	
CORPORATE FINANCE TOTALS							20,143,358	15,966,461	4,515,000	4,176,897				

NOTES:

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

** Expense History only available from 1997

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TOTAL NUMBER OF CONTRACTS	16	
TOTAL CONTRACT VALUE		\$20,143,358
TOTAL EXPENDED TO DATE		\$15,966,461
TOTAL EXPENDED IN REPORT YEAR		\$4,515,000
TOTAL CONTRACT BALANCE		\$4,176,897

STATUS SUMMARY

TOTAL NUMBER OPEN CONTRACTS	16
TOTAL NUMBER CLOSED CONTRACTS	0

METHOD OF AWARD SUMMARY

TOTAL NUMBER COMP BID	
TOTAL NUMBER SOLE SOURCE/SINGLE SOURCE	1
TOTAL NUMBER COMP SEARCH	15
TOTAL NUMBER MWBE/SBE	

COMMITMENT TYPE SUMMARY

TOTAL NUMBER ARCHITECTURAL & ENGINEERING SERVICES	
TOTAL NUMBER CONSTRUCTION	
TOTAL NUMBER EQUIP/GOODS/COMMODITY	
TOTAL NUMBER LEGAL SERVICES	0
TOTAL NUMBER PERSONAL SERVICES	
TOTAL NUMBER OTHER NON PERSONAL SERVICES	16

GUIDELINES FOR PROCUREMENT CONTRACTS

1. PURPOSE

These Guidelines for Procurement Contracts ("Guidelines") set forth the policy of the Authority regarding the solicitation and awarding of procurement contracts. The provisions of Article 4-C of the Economic Development Law, §§ 2879 and 2879-a of the Public Authorities Law, Article 15-A of the Executive Law and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these guidelines.

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 with or without environmental attributes included, 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, print and electronic media, periodicals, subscriptions, reference materials or professional research tools, written materials, fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, funding agreements, co-funding agreements, grants or memberships in various industry groups, professional societies or similar cooperative associations, or 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.

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.

- D. “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.E.1 of these Guidelines.
- G. “Minority and Women-owned Business Enterprise” (“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, and pursuant to the definition found in Executive Law § 310.
- H. “Small Business” is a business that is resident in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- I. “Single Source” means a procurement in which although two or more offerers can supply the required goods or services, the Authority, upon written findings setting forth the material and substantial reasons therefore, may award a contract or amendment to a contract to one offerer over the other.
- J. “Sole Source” means a procurement in which only one offerer is capable of supplying the required goods or services.

3. SOLICITATION REQUIREMENTS

- A. Preparation of the 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, notification of the availability of an RFP and RFQ on the Authority's Procurement website 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 RFPs and RFQs) 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/WBEs"), the Authority will solicit offers from M/WBEs 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/WBEs, a single proposal may be sought, negotiated and accepted for purchases of goods and/or services not exceeding \$200,000, in the aggregate including all amendments, from a NYS-certified M/WBE that offers a reasonable price for such goods and/or services. The award of such proposal requires the written approval of the Vice President of Procurement. Any subsequent alteration to the accepted proposal, including, but not limited to, change orders, amendments, or supplemental terms shall also necessitate the written approval of the Vice President of Procurement.

- 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. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:

1. “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, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
2. “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. “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. 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.
4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.
5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
6. Pursuant to 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, as

made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.

- F. 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.
- G. 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.
- H. 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 DED to be included on the New York State Contract Reporter website, (www.nyscr.org) (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 section 3.H does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.L, (ii) 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 (iii) Procurement Contracts awarded to not-for-profit human services providers.

Certain Procurement Contracts may require purchases: (1) on a 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. Such purchases 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, and/or the head of the initiating department that does not complete its procurements through the Procurement Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

- I. 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 or the appropriate facility 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.

- J. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive 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 Small Business or to a NYS-certified M/WBE firm for purchases not exceeding \$200,000, pursuant to Section 3.D.
6. The contract is for the purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, subject to the approvals stated in Section 3.D.

7. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.
- K. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
- L. Subject to the Authority’s Expenditure Authorization Procedures (“EAPs”), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, 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 a Single Source, 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. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the Procurement Department.
- O. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and

procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.

P. 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. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:

1. Pursuant to Article 11-B of the State Finance Law 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. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

Q. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority’s Corporate Policy regarding this matter.

- R. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting, a telephonic conversation or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal “Restricted Period.” Covered individuals at the Authority means an individual at the Authority who has the power to exercise discretion or advises someone who exercises discretion. A covered individual outside of the Authority means both “external” (e.g., a lobbyist) and “internal” (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority’s Ethics and Compliance Office for recording in the Project Sunlight database.

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.

In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided 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 EAPs. 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.

- B. 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.
- C. For Services Contracts (as defined in Section 2.C of these Guidelines), 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.
- D. For Procurement Contracts other than Personal Services (as defined in Section 2.C 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.
- E. Pursuant to § 139-j of the State Finance Law, the Authority shall not award a Procurement Contract (as defined in Subsection 3.P.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.

- F. An award to “other than low bidder” can be made only with the approval of appropriate management as stipulated in the EAPs, 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.
- G. 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.

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 or e-mail 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 EAPs. 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 EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts to be performed for a period of more than 12 months that must be awarded prior to the next quarterly 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 EAPs. 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 EAPs.
- 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 EAPs, 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 EAPs, 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 EAPs, 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 EAPs. 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 EAPs.
- 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 simultaneously 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 Enterprise Provisions)

6. Appendix “D” (Background Security Screening for Authority Contractors)
7. Appendix “E” (Omnibus Procurement Act of 1992 Requirements)
8. Appendix “F” (Computer Aided Design Requirements For New York Power Authority Drawings)
9. Appendix “G” (Equal Employment Opportunity Requirements)
10. Appendix “H” (Tax Law Requirements)
11. Appendix “I” (New York Power Authority (NYPA) North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) Cyber Access And/Or Unescorted Physical Access Training Requirements)
12. Appendix “J” (Bidder/Contractor Compliance with State Finance Law §§ 139-j and 139-k Providing for Certain Procurement Disclosures)
13. Appendix “K” (Additional State and Federal Provisions Required for American Recovery and Reinvestment Act (Pub.L. No. 111-5 Stat. 2009) (“ARRA”) Funded Projects)
14. Appendix “L” (DOE Federal Contract Provisions)
15. Appendix “M” (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology (“BART”) for Heavy Duty Vehicles)

C. If a vendor (firm, person or other entity) participates in the development or writing of the specifications for a procurement solicitation, such vendor shall not be permitted to bid on such procurement, either as a prime vendor or as a subcontractor at any level. Contracts for evaluation of offers for products or services shall not be awarded to a vendor that would then evaluate its own offers for products or services. The above restrictions shall not apply where:

1. The vendor is the sole source or single source of the product or service;
2. More than one vendor has been involved in preparing the specifications for a procurement proposal; or
3. The originating Authority Business Unit determines in writing that the restrictions are not in the best interests of the Authority. Such originating Business Unit shall obtain the approval of the applicable Business Unit Head or equivalent(s), Vice President of Procurement or equivalent(s) or designee, Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) 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 EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the modification was neither contemplated nor provided for in the solicitation for such competitive procurement. Accordingly, unless the Change Order is considered an "exempt contract amendment," no such Change Orders will be processed or approved unless the proposed procurement of goods and/or services was contemplated or provided for in the original Request for Quotation / Proposal.

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 this Section 9.E, the term "Relative" is defined in Definitions, 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/WBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying M/WBEs 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/WBEs 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/WBEs as required by law. Bidders' proposals will include Preliminary Subcontracting Plans for M/WBEs, 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. Utilization Plans for Construction contracts valued at more than \$100,000 shall be posted on the Procurement website by the successful vendor within ten business days of contract signing.

Pursuant to § 2879 of the Public Authorities Law and as further set forth in the Authority's Supplier Diversity Program documents, the following guidelines apply:

1. Identify those areas or types of contracts for which M/WBEs may best bid so as to promote and assist participation by such enterprises and facilitate a fair share of the awarding of contracts to such enterprises.
2. Provide notice, in addition to any other notice of procurement opportunities required by law, to professional and other organizations that serve M/WBEs providing the types of services procured by the Authority.
3. Maintain lists of qualified NYS-certified M/WBEs, including professional firms that have expressed an interest in doing business with the Authority and ensuring that such lists are updated regularly. The Authority shall also consult the lists of NYS-certified M/WBEs maintained by the DED pursuant to Executive Law Article 15-A.
4. Establish appropriate goals for participation by M/WBEs in procurement contracts awarded by the Authority and for the utilization of M/WBEs as subcontractors and suppliers by entities having procurement contracts with the Authority. Statewide numerical participation target goals shall be established by the Authority based on the criteria set forth in Public Authorities Law § 2879.
5. Conduct procurements in a manner that will enable the Authority to achieve the maximum feasible portion of the goals established pursuant to Subdivision 4 of this Section and that eliminates barriers to participation by M/WBEs in the Authority's procurements.
6. Designate one or more senior staff of the Authority to oversee the Authority's programs established to promote and assist participation by and utilization of NYS-Certified M/WBEs.

11. **PROCUREMENT RECORD AND REPORTING**

A. **Procurement Record**

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.

B. **Procurement Report**

After the end of each calendar year, the Vice President of 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 contract number, the date of the contract and its duration, the name, address and NYS-certified M/WBE designation of the awardees, 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 during the report year;
6. The type of contract (equipment, services, personal services or construction);
7. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source or competitive search);
8. The reasons why any procurements with a value greater than \$15,000 were not noticed in the Contract Reporter;
9. The number of bids received and
10. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.

- C. 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, and copies thereof 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.

- D. 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 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 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 record.
- E. 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 Authorities 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 FOR PROCUREMENT CONTRACTS

1. PURPOSE

These Guidelines for Procurement Contracts ("Guidelines") set forth the policy of the Authority regarding the solicitation and awarding of procurement contracts. The provisions of Article 4-C of the Economic Development Law, §§ 2879 and 2879-a of the Public Authorities Law, Article 15-A of the Executive Law and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these guidelines.

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 with or without environmental attributes included, 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, print and electronic media, periodicals, subscriptions, reference materials or professional research tools, written materials, fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, funding agreements, co-funding agreements, grants or memberships in various industry groups, professional societies or similar cooperative associations, or 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.

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.

- D. “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.E.1 of these Guidelines.
- G. “Minority and Women-owned Business Enterprise” (“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, and pursuant to the definition found in Executive Law § 310.
- H. “Small Business” is a business that is resident in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- I. “Single Source” means a procurement in which although two or more offerers can supply the required goods or services, the Authority, upon written findings setting forth the material and substantial reasons therefore, may award a contract or amendment to a contract to one offerer over the other.
- J. “Sole Source” means a procurement in which only one offerer is capable of supplying the required goods or services.

3. **SOLICITATION REQUIREMENTS**

- A. Preparation of the 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, notification of the availability of an RFP and RFQ on the Authority's Procurement website 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 RFPs and RFQs) 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/WBEs"), the Authority will solicit offers from M/WBEs 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/WBEs, a single proposal may be sought, negotiated and accepted for purchases of goods and/or services not exceeding \$200,000, in the aggregate including all amendments, from a NYS-certified M/WBE that offers a reasonable price for such goods and/or services. The award of such proposal requires the written approval of the Vice President of Procurement. Any subsequent alteration to the accepted proposal, including, but not limited to, change orders, amendments, or supplemental terms shall also necessitate the written approval of the Vice President of Procurement.

- 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. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:

1. “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, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879.
2. “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. “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. 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.
4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.
5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s President and CEO if the CEO determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.
6. Pursuant to 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, as

made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.

- F. 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.
- G. 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.
- H. 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 DED to be included on the New York State Contract Reporter website, (www.nyscr.org) (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 section 3.H does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.L, (ii) 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 (iii) Procurement Contracts awarded to not-for-profit human services providers.

Field Code Changed

Certain Procurement Contracts may require purchases: (1) on a 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. Such purchases 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, and/or the head of the initiating department that does not complete its procurements through the Procurement Department. From time to time or where appropriate, generic notices may be published on the Contract Reporter website notifying potential bidders of such opportunities and soliciting qualification statements for consideration by the Authority.

- I. 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 or the appropriate facility 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.

- J. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive 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 Small Business or to a NYS-certified M/WBE firm for purchases not exceeding \$200,000, pursuant to Section 3.D.
6. The contract is for the purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$200,000, subject to the approvals stated in Section 3.D.

7. Purchases made on a Sole Source, Single Source, or other non-competitive basis are subject to Public Authorities Law § 2879-a, 2 NYCRR Part 206, entitled “Comptroller Approval of Contracts Made by State Authorities” (“Comptroller Regulations”) and the State Authority Contract Manual.
- K. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
 - L. Subject to the Authority’s Expenditure Authorization Procedures (“EAPs”), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, 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 a Single Source, 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. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the President and CEO or the COO prior to processing by the Procurement Department.
 - O. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and

procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the Vice President of Procurement or authorized designee.

P. 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. In furtherance of the State Finance Law §§ 139-j and 139-k, the following definitions shall apply:

1. Pursuant to Article 11-B of the State Finance Law 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. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

Q. In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority’s Corporate Policy regarding this matter.

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R. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting, a telephonic conversation or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an individual at the Authority who has the power to exercise discretion or advises someone who exercises discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of him/herself, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

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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.

In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided 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 EAPs. 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.

- B. 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.
- C. For Services Contracts (as defined in Section 2.C of these Guidelines), 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.
- D. For Procurement Contracts other than Personal Services (as defined in Section 2.C 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.
- E. Pursuant to § 139-j of the State Finance Law, the Authority shall not award a Procurement Contract (as defined in Subsection 3.P.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.

- F. An award to “other than low bidder” can be made only with the approval of appropriate management as stipulated in the EAPs, 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.
- G. 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.

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 or e-mail 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 EAPs. 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 EAPs and concurrence by the Vice President of Procurement.
- B. For Services Contracts to be performed for a period of more than 12 months that must be awarded prior to the next quarterly 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 EAPs. 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 EAPs.
- 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 EAPs, 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 EAPs, 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 EAPs, 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 EAPs. 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 EAPs.
- 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 simultaneously 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
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6. Appendix "D" (Background Security Screening for Authority Contractors)
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14. Appendix "L" (DOE Federal Contract Provisions)
15. Appendix "M" (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology ("BART") for Heavy Duty Vehicles)

C. If a vendor (firm, person or other entity) participates in the development or writing of the specifications for a procurement solicitation, such vendor shall not be permitted to bid on such procurement, either as a prime vendor or as a subcontractor at any level. Contracts for evaluation of offers for products or services shall not be awarded to a vendor that would then evaluate its own offers for products or services. The above restrictions shall not apply where:

1. The vendor is the sole source or single source of the product or service;
2. More than one vendor has been involved in preparing the specifications for a procurement proposal; or
3. The originating Authority Business Unit determines in writing that the restrictions are not in the best interests of the Authority. Such originating Business Unit shall obtain the approval of the applicable Business Unit Head or equivalent(s), Vice President of Procurement or equivalent(s) or designee, Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) 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 EAPs, and should include specific schedules for completion of work at the earliest possible time.
- C. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the modification was neither contemplated nor provided for in the solicitation for such competitive procurement. Accordingly, unless the Change Order is considered an "exempt contract amendment," no such Change Orders will be processed or approved unless the proposed procurement of goods and/or services was contemplated or provided for in the original Request for Quotation / Proposal.

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 this Section 9.E, the term "Relative" is defined in Definitions, 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/WBEs. Article 15-A of the Executive Law established the NYS Office (now Division) of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying M/WBEs 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/WBEs 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/WBEs as required by law. Bidders' proposals will include Preliminary Subcontracting Plans for M/WBEs, 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. Utilization Plans for Construction contracts valued at more than \$100,000 shall be posted on the Procurement website by the successful vendor within ten business days of contract signing.

Pursuant to § 2879 of the Public Authorities Law and as further set forth in the Authority's Supplier Diversity Program documents, the following guidelines apply:

1. Identify those areas or types of contracts for which M/WBEs may best bid so as to promote and assist participation by such enterprises and facilitate a fair share of the awarding of contracts to such enterprises.
2. Provide notice, in addition to any other notice of procurement opportunities required by law, to professional and other organizations that serve M/WBEs providing the types of services procured by the Authority.
3. Maintain lists of qualified NYS-certified M/WBEs, including professional firms that have expressed an interest in doing business with the Authority and ensuring that such lists are updated regularly. The Authority shall also consult the lists of NYS-certified M/WBEs maintained by the DED pursuant to Executive Law Article 15-A.
4. Establish appropriate goals for participation by M/WBEs in procurement contracts awarded by the Authority and for the utilization of M/WBEs as subcontractors and suppliers by entities having procurement contracts with the Authority. Statewide numerical participation target goals shall be established by the Authority based on the criteria set forth in Public Authorities Law § 2879.
5. Conduct procurements in a manner that will enable the Authority to achieve the maximum feasible portion of the goals established pursuant to Subdivision 4 of this Section and that eliminates barriers to participation by M/WBEs in the Authority's procurements.
6. Designate one or more senior staff of the Authority to oversee the Authority's programs established to promote and assist participation by and utilization of NYS-Certified M/WBEs.

11. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

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.

B. Procurement Report

After the end of each calendar year, the Vice President of 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 contract number, the date of the contract and its duration, the name, address and NYS-certified M/WBE designation of the awardees, 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 during the report year;
6. The type of contract (equipment, services, personal services or construction);
7. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source or competitive search);
8. The reasons why any procurements with a value greater than \$15,000 were not noticed in the Contract Reporter;
9. The number of bids received and
10. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.

- C. 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, and copies thereof 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.

D. 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 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 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 record.

E. 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 Authorities 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 NEW YORK POWER AUTHORITY

PERSONAL PROPERTY

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GUIDELINES AND PROCEDURES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY 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 that 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 the 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 – Corporate Support 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 the Authority's personal property conducted by another state entity authorized to dispose of the Authority's 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 may include, but is not limited to, materials, tools, equipment, or vehicles.
- D. "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. 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 of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.
- 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 ensure 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 7/27/11, Revision 3 -- "Accounting for Materials and Supplies Inventory."

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 Director – Site Purchasing & Materials Management ("DSP&MM"). For purposes of Property disposal, the DSP&MM reports directly to the Contracting Officer or authorized designee.
- 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 DSP&MM.
- D. The Contracting Officer or authorized designee will designate one or more individuals from the White Plains Office Procurement Division to be the

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

- E. The Director of Fleet Operations ("DFO") or equivalent(s) or authorized designee is responsible for the disposal of vehicles and rolling equipment. The DFO reports directly to the Senior Vice President – Corporate Support Services or authorized designee.
- F. If appropriate, the responsible Facility PDC should confer (by oral or written communication) with the DSP&MM and the WPO PDC(s) should confer (by oral or written communication) with the Contracting Officer or authorized designee 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. PROCEDURES FOR DISPOSAL OF AUTHORITY PERSONAL PROPERTY

Except for Disposals pursuant to Article VII, Article XII and Subsection VI.A.4 of these Guidelines, whenever practicable, the responsible PDC shall solicit proposals from qualified 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. DISPOSAL METHODS FOR PERSONAL PROPERTY

1. For the purposes of these Guidelines, Disposal methods may 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 disposals as part of a competitive procurement; or disposal through the New York State Office of General Services ("OGS"). Provided, however, that no disposition of any Property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar Property, shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction. 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. Solicitation via telephone, e-mail and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of is greater than \$5,000 but does not exceed \$15,000. All bids must be submitted in writing on the forms or an appropriate substitute and in the

manner prescribed by this procedure and by the date and time (the "Bid Due Date") included in the solicitation.

3. All Disposals of Authority Property in excess of \$15,000 shall be made after publicly advertising for bids except as provided in Subsection 4 below, using the following process:
 - 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. This may include advertisements in one or more of the following publications, depending on the nature of the Property: local newspapers in the geographic area of 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, internet services or other communication outlets as appropriate;
 - b. all bids must be submitted in writing on the forms or an appropriate substitute 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 or by posting to the Authority's internet website; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is

most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.

4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
 - a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 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 arrived at 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. under those circumstances permitted by Subsection 6 of this Section;
 - 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, the Director of the Division of the Budget and the Authorities Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.
6. a. No Property owned or otherwise in the control of the Authority may be disposed or otherwise alienated for less than its Fair Market Value except if:
- (i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any other public entity;
 - (ii) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
 - (iii) in the event the Authority seeks to transfer Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the

Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the

political subdivision in which the Authority resides, and if the transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

b. In the event a below Fair Market Value Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Property is situated as are required by the transfer;
- (iv) a statement of the value to be received compared to the Fair Market Value;
- (v) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph

(iv) of this Subsection, a statement of the value to the private party; and

(vi) the names of other private parties who have made an offer for such Property, the value offered and the purpose for which the Property was sought to be used.

c. Before approving the Disposal of any Property for less than Fair Market Value, the Board of Trustees shall consider the information described in paragraph b of this Subsection and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

7. In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

B. DISPOSAL OPTIONS IF NO BIDS OR NO ACCEPTABLE BIDS ARE

RECEIVED

The appropriate PDC shall confer with the DSP&MM and the Contracting Officer or authorized designee 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, where:

1. the solicitation pursuant to Section VI.A does not produce any bids to purchase the Property;
2. in the opinion of the Authority, the bids are not arrived at independently;
3. all bids are not reasonable in accordance with Section X.C; or
4. all bids received are less than the Authority's Fair Market Value estimate.

VII. CENTRALIZED DISPOSAL

A. Subject to the approval of the Contracting Officer or authorized designee 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 provided the advertisement for bids through such methods permits full and free competition consistent with the value and nature of the property, as may be conducted through an independent auctioneer, online auction service, or another utility.

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 responsible PDC for the location where the Property is located.
- B. If the responsible PDC, in conference with either the DSP&MM or the Contracting Officer or authorized designee, 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 DSP&MM or the Contracting Officer or authorized designee, 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 "A," 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 AND SIGNING AUTHORITY

- 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. Responsible Officers are designated as follows:
 1. The Board of Trustees, if the Fair Market Value of the Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6; 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 – Corporate Support Services 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 DSP&MM, 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 DSP&MM or the Contracting Officer or authorized designee, as appropriate, if the Fair Market Value of the Property is \$5,000 or less.
- B. For public auctions or similar centralized disposals, such authorization should be obtained prior to submitting Property to auction based on the estimated Fair Market Value of the Property.
1. For purposes of these Guidelines, the Director - Fleet Operations ("DFO") or equivalent(s) and DSP&MM are authorized to sign Disposal Sales Agreements based upon the provisions of Section XI.A above whereby the DFO is authorized to sign fleet-related sales agreements and the DSP&MM may sign both fleet and non-fleet sales agreements.
- C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures – Attachment C.
- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority's Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

These Guidelines are not intended to restrict disposals as part of a competitive procurement, including trade-ins, where the procurement is competitively bid and awarded in accordance with the Authority's Guidelines for Procurement Contracts and Fair Market Value can be obtained for the Property. Any such proposed disposal must be included as part of the solicitation of bids for the procurement. The solicitation must also include an estimated Fair Market Value of the Property or minimum bid amount. The disposal or trade-in value must be stated in the proposals from bidders. When disposing of Property as part of a competitive procurement, the Authority may consider the cost difference between the accepted proposal and the next lowest responsive proposal as part of the consideration for the disposal of the Property.

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

For Property with a Fair Market Value of \$15,000 or less, 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 DSP&MM or the Contracting Officer or authorized designee, 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. Approval of all such returns to the OEM or the source when a re-stocking fee is charged, must be in accordance with the Authorization Levels delineated in Section XI.A.

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

The Authority may utilize OGS for Disposal of Authority-owned Property including on-line disposal methods offered by OGS. In addition, in accordance with New York State law, surplus computers and related accessories, surplus office furniture, and other equipment may, with the approval of the Contracting Officer or authorized designee, 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 DSP&MM and WPO PDC(s). 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 Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.
- 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 State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of 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 of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Corporate Support Services Business Unit, or 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 Authorities 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) Except for disposals by public auction, 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.

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 NEW YORK POWER AUTHORITY

PERSONAL PROPERTY

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GUIDELINES AND PROCEDURES
FOR THE
DISPOSAL OF NEW YORK POWER AUTHORITY 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 that 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 the 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 – Corporate Support 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 the Authority's personal property conducted by another state entity authorized to dispose of the Authority's 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 may include, but is not limited to, materials, tools, equipment, or vehicles.
- D. "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. 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 of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.
- 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 ensure 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 7/27/11, Revision 3 -- "Accounting for Materials and Supplies Inventory."

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 Director – Site Purchasing & Materials Management ("DSP&MM"). For purposes of Property disposal, the DSP&MM reports directly to the Contracting Officer or authorized designee.
- 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 DSP&MM.
- D. The Contracting Officer or authorized designee will designate one or more individuals from the White Plains Office Procurement Division to be the

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

- E. The Director of Fleet Operations ("DFO") or equivalent(s) or authorized designee is responsible for the disposal of vehicles and rolling equipment. The DFO reports directly to the Senior Vice President – Corporate Support Services or authorized designee.
- F. If appropriate, the responsible Facility PDC should confer (by oral or written communication) with the DSP&MM and the WPO PDC(s) should confer (by oral or written communication) with the Contracting Officer or authorized designee 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. PROCEDURES FOR DISPOSAL OF AUTHORITY PERSONAL PROPERTY

Except for Disposals pursuant to Article VII, Article XII and Subsection VI.A.4 of these Guidelines, whenever practicable, the responsible PDC shall solicit proposals from qualified 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. DISPOSAL METHODS FOR PERSONAL PROPERTY

1. For the purposes of these Guidelines, Disposal methods may 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 disposals as part of a competitive procurement; or disposal through the New York State Office of General Services ("OGS"). Provided, however, that no disposition of any Property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar Property, shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction. 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. Solicitation via telephone, e-mail and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of is greater than \$5,000 but does not exceed \$15,000. All bids must be submitted in writing on the forms or an appropriate substitute and in the

manner prescribed by this procedure and by the date and time (the "Bid Due Date") included in the solicitation.

3. All Disposals of Authority Property in excess of \$15,000 shall be made after publicly advertising for bids except as provided in Subsection 4 below, using the following process:
 - 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. This may include advertisements in one or more of the following publications, depending on the nature of the Property: local newspapers in the geographic area of 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, internet services or other communication outlets as appropriate;
 - b. all bids must be submitted in writing on the forms or an appropriate substitute 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 or by posting to the Authority's internet website; and
 - d. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is

most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.

4. Disposals of Property may be negotiated or made by public auction without regard to Subsection 3 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
 - a. the Property involved has qualities separate from the utilitarian purpose of such Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 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 arrived at 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. under those circumstances permitted by Subsection 6 of this Section;
 - 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, the Director of the Division of the Budget and the Authorities Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.
6. a. No Property owned or otherwise in the control of the Authority may be disposed or otherwise alienated for less than its Fair Market Value except if:
- (i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any other public entity;
 - (ii) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
 - (iii) in the event the Authority seeks to transfer Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the

Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the

political subdivision in which the Authority resides, and if the transfer is of Property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

b. In the event a below Fair Market Value Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:

- (i) a full description of the Property;
- (ii) an appraisal of the Fair Market Value of the Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
- (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Property is situated as are required by the transfer;
- (iv) a statement of the value to be received compared to the Fair Market Value;
- (v) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph

(iv) of this Subsection, a statement of the value to the private party; and

(vi) the names of other private parties who have made an offer for such Property, the value offered and the purpose for which the Property was sought to be used.

c. Before approving the Disposal of any Property for less than Fair Market Value, the Board of Trustees shall consider the information described in paragraph b of this Subsection and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

7. ~~In addition, i~~In cases where a Disposal of Property is made without competitive bidding and where the proposed contract price for the Property disposed of is less than Fair Market Value, ~~prior to finalizing the Disposal~~a detailed explanation of the justification for making the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

B. **DISPOSAL OPTIONS IF NO BIDS OR NO ACCEPTABLE BIDS ARE RECEIVED**

The appropriate PDC shall confer with the DSP&MM and the Contracting Officer or authorized designee 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, where:

1. the solicitation pursuant to Section VI.A does not produce any bids to purchase the Property;
2. in the opinion of the Authority, the bids are not arrived at independently;
3. all bids are not reasonable in accordance with Section X.C; or
4. all bids received are less than the Authority's Fair Market Value estimate.

VII. **CENTRALIZED DISPOSAL**

A. Subject to the approval of the Contracting Officer or authorized designee 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 provided the advertisement for bids through such methods permits full and free competition consistent with the value and nature of the property, as may be conducted through an independent auctioneer, online auction service, or another utility.

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 responsible PDC for the location where the Property is located.
- B. If the responsible PDC, in conference with either the DSP&MM or the Contracting Officer or authorized designee, 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 DSP&MM or the Contracting Officer or authorized designee, 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 "A," 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 AND SIGNING AUTHORITY

- 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. Responsible Officers are designated as follows:
 1. The Board of Trustees, if the Fair Market Value of the Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6; 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 – Corporate Support Services 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 DSP&MM, 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 DSP&MM or the Contracting Officer or authorized designee, as appropriate, if the Fair Market Value of the Property is \$5,000 or less.
- B. For public auctions or similar centralized disposals, such authorization should be obtained prior to submitting Property to auction based on the estimated Fair Market Value of the Property.
1. For purposes of these Guidelines, the Director - Fleet Operations ("DFO") or equivalent(s) and DSP&MM are authorized to sign Disposal Sales Agreements based upon the provisions of Section XI.A above whereby the DFO is authorized to sign fleet-related sales agreements and the DSP&MM may sign both fleet and non-fleet sales agreements.
- C. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures – Attachment C.

- D. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority's Board of Trustees.

XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY

A. Disposals as Part of a Competitive Procurement

These Guidelines are not intended to restrict disposals as part of a competitive procurement, including trade-ins, where the procurement is competitively bid and awarded in accordance with the Authority's Guidelines for Procurement Contracts and Fair Market Value can be obtained for the Property. Any such proposed disposal must be included as part of the solicitation of bids for the procurement. The solicitation must also include an estimated Fair Market Value of the Property or minimum bid amount. The disposal or trade-in value must be stated in the proposals from bidders. When disposing of Property as part of a competitive procurement, the Authority may consider the cost difference between the accepted proposal and the next lowest responsive proposal as part of the consideration for the disposal of the Property.

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

For Property with a Fair Market Value of \$15,000 or less, 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 DSP&MM or the Contracting Officer or authorized designee, 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. Approval of all such returns to the OEM or the source when a re-stocking fee is charged, must be in accordance with the Authorization Levels delineated in Section XI.A.

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

The Authority may utilize OGS for Disposal of Authority-owned Property including on-line disposal methods offered by OGS. In addition, in accordance with New York State law, surplus computers and related accessories, surplus office furniture, and other equipment may, with the approval of the Contracting Officer or authorized designee, 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 DSP&MM and WPO PDC(s). 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 Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.
- 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 State

Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of 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 of Property over \$15,000, Property of any value related to the disposal of Real Property by exchange, or Property where part of the consideration received is Real Property, an explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.5.
- E. The Authority's Governance Committee meets at least three times per year. Staff from the Corporate Support Services Business Unit, or 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 Authorities 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) Except for disposals by public auction, 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.

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 NEW YORK POWER AUTHORITY

REAL PROPERTY

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**GUIDELINES AND PROCEDURES FOR THE DISPOSAL OF
NEW YORK POWER AUTHORITY 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 that detail the Authority’s policy and instructions regarding the disposal of real 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

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 – Corporate Support 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, Permits or Transfers of Jurisdictions.

2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

2.4 ~~"Permits" issued by the Authority grant revocable privileges to use or access real property under the jurisdiction of the Authority. Permits may be issued where the real property is not presently required for Authority purposes, but held for future use in carrying out its corporate purposes. Permits do not transfer a beneficial interest in real property. Permits are revocable, in part to assure availability upon demand of the real property for Authority Authority purposes.~~

~~2.53~~ 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~~ ~~"Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.~~

~~2.65~~ 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.

~~2.7~~ ~~—"Transfers of Jurisdiction" are transactions pursuant to Public Lands Law §3(4) and are between the Authority and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Authority and the New York State Office of General Services deem proper, but the title to the real property remains in the name of the people of the State of New York.~~

III. COMPLIANCE OVERVIEW

The Public Authorities Accountability Act ("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 Director 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. PROCEDURES FOR THE DISPOSITION OF AUTHORITY 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.a 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:

1. the Fair Market Value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00); or
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; or
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; or
4. under those circumstances permitted by Section 5.3; or
5. such action is otherwise authorized by law.

5.3.b.1 No Real Property owned, leased or otherwise in the control of the Authority may be sold, leased, or otherwise alienated for less than its Fair Market Value except if:

- a. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Real Property will remain with the government or any other public entity;
- b. the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
- c. in the event the Authority seeks to transfer Real Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate, or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may

take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Authority may effectuate such transfer.

5.3.b.2. In the event a below Fair Market Value Real Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:

- a. a full description of the Real Property;
- b. an appraisal of the Fair Market Value of the Real Property and any other information establishing the Fair Market Value sought by the Authority's Board of Trustees;
- c. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Real Property is situated as are required by the transfer;
- d. a statement of the value to be received compared to the Fair Market Value;
- e. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and
- f. the names of other private parties who have made an offer for such Real Property, the value offered, and the purpose for which the Real Property was sought to be used.

5.3.b.3. Before approving the Disposal of any Real Property for less than Fair Market Value, the Authority's Board of Trustees shall consider the information described in Paragraph 5.3.b.2 and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

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 of this Section 5.4;

5.4.2 Real Property Disposed of by lease if the fair annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00); and

5.4.3 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 Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office 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~~5.7 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~~5.8 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~~5.9 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 ~~5.8~~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~~5.10 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.

VI. AUTHORITY REAL PROPERTY REPORTS

6.1 The Director of Real Estate or equivalent(s) or designee shall publish the following 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 Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Disposed of during such reporting period and the name of the purchaser of the Real Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.

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 Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office, an annual report which shall include 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 Corporate Support Services/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.

GUIDELINES

AND

PROCEDURES

FOR THE

DISPOSAL OF NEW YORK POWER AUTHORITY

REAL PROPERTY

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**GUIDELINES AND PROCEDURES FOR THE DISPOSAL OF
NEW YORK POWER AUTHORITY 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 that detail the Authority's policy and instructions regarding the disposal of real 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

- 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 – Corporate Support Services, or equivalent(s) or designee.
- 2.2 "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, Permits or Transfers of Jurisdictions.
- 2.3 "Fair Market Value" shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

- 2.4 "Permits" issued by the Authority grant revocable privileges to use or access real property under the jurisdiction of the Authority. Permits may be issued where the real property is not presently required for Authority purposes, but held for future use in carrying out its corporate purposes. Permits do not transfer a beneficial interest in real property. Permits are revocable, in part to assure availability upon demand of the real property for Authority purposes.
- 2.5 "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.
- 2.6 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.
- 2.7 "Transfers of Jurisdiction" are transactions pursuant to Public Lands Law §3(4) and are between the Authority and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Authority and the New York State Office of General Services deem proper, but the title to the real property remains in the name of the people of the State of New York.

III. COMPLIANCE OVERVIEW

The Public Authorities Accountability Act ("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 Director 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. PROCEDURES FOR THE DISPOSITION OF AUTHORITY 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.a 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:

1. the Fair Market Value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00); or
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; or
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; or
4. under those circumstances permitted by Section 5.3; or
5. such action is otherwise authorized by law.

5.3.b.1 No Real Property owned, leased or otherwise in the control of the Authority may be sold, leased, or otherwise alienated for less than its Fair Market Value except if:

- a. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Real Property will remain with the government or any other public entity;
- b. the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
- c. in the event the Authority seeks to transfer Real Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate, or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year.

If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Authority may effectuate such transfer.

5.3.b.2. In the event a below Fair Market Value Real Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:

- a. a full description of the Real Property;
- b. an appraisal of the Fair Market Value of the Real Property and any other information establishing the Fair Market Value sought by the Authority's Board of Trustees;
- c. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Real Property is situated as are required by the transfer;
- d. a statement of the value to be received compared to the Fair Market Value;
- e. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and
- f. the names of other private parties who have made an offer for such Real Property, the value offered, and the purpose for which the Real Property was sought to be used.

5.3.b.3. Before approving the Disposal of any Real Property for less than Fair Market Value, the Authority's Board of Trustees shall consider the information described in Paragraph 5.3.b.2 and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

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 of this Section 5.4;
 - 5.4.2 Real Property Disposed of by lease if the fair annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00); and
 - 5.4.3 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 Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office 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 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.

- 5.8 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.
- 5.9 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 5.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.10 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.

VI. AUTHORITY REAL PROPERTY REPORTS

6.1 The Director of Real Estate or equivalent(s) or designee shall publish the following 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 Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Disposed of during such reporting period and the name of the purchaser of the Real Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.

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 Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office, an annual report which shall include 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 Corporate Support Services/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.

Exhibit "2c-4"
March 21, 2013

GUIDELINES

AND

PROCEDURES

FOR THE

ACQUISITION OF REAL PROPERTY

BY THE NEW YORK POWER AUTHORITY

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GUIDELINES AND PROCEDURES FOR THE ACQUISITION OF REAL PROPERTY BY THE NEW YORK POWER AUTHORITY

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 that detail the Authority’s policy and instructions regarding the acquisition of real 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

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 – Corporate Support 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 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in

the appropriate marketplace and under similar circumstances.

2.4 “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.

2.5 “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. COMPLIANCE OVERVIEW

3.1 These Guidelines are being adopted consistent with the Public Authorities Accountability Act (“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 Real Estate 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.

VI. ACQUISITION REPORTS BY THE AUTHORITY

6.1 The Director of Real Estate or equivalent(s) or designee shall publish the following 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 Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Authority for the Real Property, and (b) a description of the total amounts of Real Property purchased without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property purchased exceeds Fair Market Value, a detailed explanation of the justification for making the purchase without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such purchase and determined that it complies with applicable law.
- 6.1.2 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").
- 6.1.3 The Authority's Governance Committee meets at least three times per year and staff from Corporate Support Services/Enterprise Shared Services – Real Estate or the equivalent may, upon request, prepare and present ongoing reports regarding the Acquisition of Real Property.

**EXPENDITURE
AUTHORIZATION
PROCEDURES**

**Issued pursuant to Article VII,
Section 5 of the Authority's By-Laws**

**To be reviewed and approved by the Board of Trustees on
March 21, 2013**

ATTACHMENT A:

*Approval Limits – Requisitions for Commitments for
Non-Personal Services, Construction, Equipment Purchases and Non-
Procurement Contracts*

ATTACHMENT B:

*Approval Limits – Requisitions for Commitments for
Personal Services Contracts
(Including Fuels-related consulting and other personal services contracts)*

ATTACHMENT C:

*Approval Limits for Signing
(Includes all purchase orders / contracts and change orders)*

ATTACHMENT D:

*Delegation of Approval / Signatory Authority for Claims Settlement and Payment for
Real Estate*

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 or SINGLE</u>		<u>LIMIT *</u>	
			<u>SOURCE</u>			
					* subject to 25% rule-see pg. 4	
FIRST LINE SUPERVISOR	TO	\$5,000	TO	\$5,000	TO	\$5,000
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 SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$100,000	TO	\$50,000	TO	\$50,000
PROJECT MGR. or SR. PROJECT MGR.♦	TO	\$250,000	TO	\$100,000	TO	\$100,000
REGIONAL or GENERAL MANAGER, VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$500,000	TO	\$250,000	TO	\$250,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$1,000,000	TO	\$500,000	TO	\$500,000
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

Trustees' approval is also required when:

1. The 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.
- ♦ Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers or Sr. Project Managers.

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT B

APPROVAL LIMITS - REQUISITIONS FOR PERSONAL SERVICES CONTRACTS

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

	<u>IF LESS THAN 1 YEAR AND AWARDED TO:</u>		<u>CUMULATIVE CHANGE ORDER LIMIT *</u>			
	<u>LOW BIDDER</u>	<u>NON-LOW BID, SOLE or SINGLE SOURCE</u>	* subject to 25% rule-see pg. 4			
FACILITY MGR. - F&A, FACILITY SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$50,000	TO	\$25,000	TO	\$25,000
REGIONAL or GENERAL MGR.	TO	\$100,000	TO	\$50,000	TO	\$50,000
PROJECT MGR., SR. PROJ. MGR., ♦ VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$100,000	TO	\$50,000	TO	\$50,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$250,000	TO	\$100,000	TO	\$100,000
BUSINESS UNIT HEAD (HQ)	TO	\$500,000	TO	\$250,000	TO	\$250,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	TO	\$1,000,000	TO	\$500,000	TO	\$500,000
TRUSTEES	OVER	\$1,000,000	OVER	\$500,000	OVER	\$500,000

Trustees' approval is also required when:

1. The 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.
- ♦ Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers and Sr. Project Managers.

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT C**APPROVAL LIMITS FOR SIGNING****(Includes all Purchase Orders / Contracts and Change Orders)******* FOR STOCK ITEMS ONLY, EXECUTION = FINAL APPROVAL *******OPERATING PROJECTS:**

FACILITY PURCHASING STAFF or FLEET CLERK	Purchases ¹ /Contracts ²	TO	\$5,000
ASST MGR - PURCHASING/WHSE or FLEET BUYER	"	TO	\$25,000
MANAGER - PURCHASING/WAREHOUSE	"	TO	\$100,000
DIRECTOR - SITE PURCH./MAT. MGMT/REAL EST.	"	TO	\$500,000
REGIONAL or CEC GENERAL MGR. or Designee ³	"	TO	\$500,000

HEADQUARTERS:

PROCUREMENT SPECIALIST or ANALYST	Purchases ¹ /Contracts ²	TO	\$25,000
SR. PROCUREMENT SPECIALIST	"	TO	\$100,000
LEAD PROCUREMENT AGENT	"	TO	\$250,000
DIRECTOR or MANAGER OF PROCUREMENT	"	TO	\$500,000
VP – PROCUREMENT or Equivalent	"	TO	\$10,000,000
VP – PROC. or Equivalent or SVP - CSS	Real Estate Transactions	TO	\$10,000,000
SVP – CORPORATE SUPPORT SERVICES ⁴	Fleet Disposal Transactions	TO	\$10,000,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	Purchases ¹ / Contracts ²	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 or CEC General Manager. All designations shall be in writing.
4. The Senior Vice President – Corporate Support Services is also authorized to sign commitments for Purchases / Contracts up to the Vice President - 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 cumulative value of Change Orders exceeds 25% of the original amount approved, not-to-exceed \$1 million♦, for Non-Personal Services, Equipment, Construction and Non-Procurement Contracts• or exceeds 25%, 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 Head and forwarded to the VP Procurement for review prior to transmittal to the President, Chairman or Chief Operating Officer for final approval. Also, Change Orders for non-personal services, construction, equipment, or non-procurement contracts with a cumulative value exceeding \$3 million require the Trustees' approval, as well as any cumulative Change Orders for personal services over \$500,000, or when the cumulative Change Order value exceeds the President's, Chairman's or COO's approval limits.

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, Chairman's or Chief Operating Officer's approval, until either the Trustees' 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.
 - ♦ For contracts where the original amount approved is up to \$4 million. For contracts > \$4 M and ≤ \$12 M, the not-to-exceed C/O limit is > \$1 M, up to \$3 M max.

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 or SINGLE</u>			<u>LIMIT *</u>
			<u>SOURCE</u>			
FIRST LINE SUPERVISOR	TO	\$5,000	TO	\$5,000	TO	\$5,000
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 SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$100,000	TO	\$50,000	TO	\$50,000
PROJECT MGR. or SR. PROJECT MGR. ♦	TO	\$250,000	TO	\$100,000	TO	\$100,000
REGIONAL or GENERAL MANAGER, VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$500,000	TO	\$250,000	TO	\$250,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$1,000,000	TO	\$500,000	TO	\$500,000
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

* subject to 25% rule-see pg. 4

Trustees' approval is also required when:

1. The 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.

♦ Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers or Sr. Project Managers.

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT B

APPROVAL LIMITS - REQUISITIONS FOR PERSONAL SERVICES CONTRACTS

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

	<u>IF LESS THAN 1 YEAR AND AWARDED TO:</u>		<u>CUMULATIVE CHANGE ORDER LIMIT *</u>			
	<u>LOW BIDDER</u>	<u>NON-LOW BID, SOLE or SINGLE SOURCE</u>	* subject to 25% rule-see pg. 4			
FACILITY MGR. - F&A, FACILITY SUPERINTENDENT, DEPARTMENT HEAD, DIRECTOR or MANAGER	TO	\$50,000	TO	\$25,000	TO	\$25,000
REGIONAL or GENERAL MGR.	TO	\$100,000	TO	\$50,000	TO	\$50,000
PROJECT MGR., SR. PROJ. MGR., VICE PRESIDENT or DIVISION HEAD (HQ)	TO	\$100,000	TO	\$50,000	TO	\$50,000
SENIOR VICE PRESIDENT (other than BU Head)	TO	\$250,000	TO	\$100,000	TO	\$100,000
BUSINESS UNIT HEAD (HQ)	TO	\$500,000	TO	\$250,000	TO	\$250,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	TO	\$1,000,000	TO	\$500,000	TO	\$500,000
TRUSTEES	OVER	\$1,000,000	OVER	\$500,000	OVER	\$500,000

Trustees' approval is also required when:

1. The 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.

◆ **Directors and Program Managers in Energy Efficiency have the same approval limits as Project Managers and Sr. Project Managers.**

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT C

APPROVAL LIMITS FOR SIGNING

(Includes all Purchase Orders / Contracts and Change Orders)

***** FOR STOCK ITEMS ONLY, EXECUTION = FINAL APPROVAL *****

OPERATING PROJECTS:

FACILITY PURCHASING STAFF or FLEET CLERK	Purchases ¹ /Contracts ²	TO	\$5,000
ASST MGR - PURCHASING/WHSE or FLEET BUYER	"	TO	\$25,000
MANAGER - PURCHASING/WAREHOUSE	"	TO	\$100,000
DIRECTOR - SITE PURCH./MAT. MGMT/REAL EST.	"	TO	\$500,000
REGIONAL or CEC GENERAL MGR. or Designee ³	"	TO	\$500,000

HEADQUARTERS:

PROCUREMENT SPECIALIST or ANALYST	Purchases ¹ /Contracts ²	TO	\$25,000
SR. PROCUREMENT SPECIALIST	"	TO	\$100,000
LEAD PROCUREMENT AGENT	"	TO	\$250,000
DIRECTOR or MANAGER OF PROCUREMENT	"	TO	\$500,000
VP – PROCUREMENT or Equivalent	"	TO	\$10,000,000
VP – PROC. or Equivalent or SVP - CSS	Real Estate Transactions	TO	\$10,000,000
SVP – CORPORATE SUPPORT SERVICES ⁴	Fleet Disposal Transactions	TO	\$10,000,000
PRESIDENT, CHAIRMAN or CHIEF OPERATING OFFICER	Purchases ¹ / Contracts ²	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 or CEC General Manager. All designations shall be in writing.
4. The **Senior** Vice President – **Corporate Support** Services is also authorized to sign commitments for Purchases / Contracts up to the Vice President – 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 **cumulative value of Change Orders** exceeds 25% **of the original amount approved**, not-to-exceed \$1 million♦, for Non-Personal Services, Equipment, Construction and Non-Procurement Contracts• or exceeds 25%, 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 Head and forwarded to the VP Procurement for review prior to transmittal to the President, Chairman or Chief Operating Officer for final approval. Also, Change Orders for non-personal services, construction, equipment, or non-procurement contracts with a cumulative value exceeding \$3 million require the Trustees' approval, as well as any cumulative Change Orders for personal services over \$500,000, or when the cumulative Change Order value exceeds the President's, Chairman's or COO's approval limits.

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, Chairman's or Chief Operating Officer's approval, until either the Trustees' 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.

♦ For contracts where the original amount approved is up to \$4 million. For contracts > \$4 M and ≤ \$12 M, the not-to-exceed C/O limit is > \$1 M, up to \$3 M max.

ATTACHMENT D

DELEGATION OF APPROVAL / SIGNATORY AUTHORITY FOR CLAIMS SETTLEMENT AND PAYMENT FOR REAL ESTATE

	<u>Real Estate Administrator or Equivalent</u>	<u>Director of Real Estate or Equivalent</u>	<u>VP - Procurement or Equivalent</u> ⁽¹⁾	<u>President/Chairman</u>	<u>Trustees</u>
A) Acquisition and disposition of fee and easement interests in real property other than by appropriation or condemnation:		up to \$ 3,000 per parcel	up to \$ 8,000 per parcel	up to \$ 10,000 per parcel	> \$ 10,000 per parcel
B) Permits for use of property owned by others or for use of Authority property by others:	up to \$1,000	up to \$10,000	up to \$20,000	up to \$100,000	> \$100,000
C) Agreement for annual payment in lieu of taxes: ⁽²⁾		up to \$10,000 per parcel	up to \$50,000 per parcel	up to \$100,000 per parcel	> \$100,000 per parcel
D) Leases where Authority is either landlord or tenant:		up to 4-year term including all renewal options <u>and</u> not exceeding \$30,000 annual rent	up to 6-year term including all renewal options <u>and</u> not exceeding \$50,000 annual rent	up to 10-year term including all renewal options <u>and</u> not exceeding \$100,000 annual rent	> 10-year term including all renewal options <u>or</u> > \$100,000 annual rent regardless of term
E) Advance payments for acquisition of real property by condemnation or appropriation:		100% of AV with concurrence of General Counsel if over \$100,000			
F) Settlement of claims resulting from:					
1) Acquisition of Real Property by Appropriation or Condemnation: ⁽³⁾					
(a) If AV ⁽⁴⁾ is \$ 20,000 or less:		≤ 150% of AV <u>or</u> AV + \$2,000	≤ 200% of AV <u>or</u> AV + \$6,000	> 200% of AV <u>or</u> AV + \$6,000	
(b) If AV is \$ 200,000 or less:		≤ 125% of AV	≤ 150% of AV	≤ 175% of AV	> 175% of AV
(c) If AV is \$ 500,000 or less:		≤ 110% of AV	≤ 120% of AV	≤ 135% of AV	> 135% of AV
(d) If AV is \$1,000,000 or less:		AV	≤ 110% of AV	≤ 135% of AV	> 135% of AV
(e) If AV is more than \$1,000,000:		--	≤ AV	≤ 120% of AV	> 120% of AV
2) Agricultural damages and mitigation:	up to \$1,000	up to \$20,000	up to \$100,000	up to \$300,000	> \$300,000
3) Miscellaneous damages:	up to \$1,000	up to \$20,000	up to \$50,000	up to \$100,000	> \$100,000
4) Radio & TV interference; audible noise:		up to \$20,000	up to \$50,000	up to \$100,000	> \$100,000

(1) The SVP – Corporate Support Services is also authorized to sign commitments for Real Estate transactions up to the VP – Procurement’s level in the latter’s absence.
(2) Only upon approval by Trustees to make payment in lieu of taxes for the specific project.
(3) Only upon approval by the Trustees of the acquisition.
(4) AV = Appraised Value.

SUBJECT: TRAVEL

1.0 SCOPE

This policy establishes guidelines for business travel arrangements and travel expense reimbursements.

2.0 IMPLEMENTATION

This policy shall be adhered to by the staff of all Authority Business Units and Departments, and contractors/consultants doing business on behalf of the Authority. Recommendations for changes to this policy or a new corporate policy shall be processed in accordance with CP 1-1 “Corporate Policy Program Administration”.

3.0 MANAGEMENT CONTROLS

3.1 General

3.1.1 Employees must use Power Business Travel, (the Corporate Travel Desk), for air, hotel and car rental arrangements in order to be reimbursed for business travel expenses.

Contractors/consultants, doing business on behalf of the Authority, must use Power Business Travel for all air, hotel and car rental arrangements in order to be reimbursed for approved business travel expenses.

3.1.2 The Travel Desk will make the most cost effective arrangements that meet the traveler’s needs. Exceptions or changes to Travel Desk recommended arrangements must be approved by the traveler’s Business Unit/Department Head.

3.1.3 Travel associated invoices must be submitted with expense statements for reimbursement.

3.1.4 In the event that emergency travel arrangements are made by the traveler, written explanation of the circumstances must be provided to the Travel Desk, which will produce an invoice to be submitted with the expense statement.

3.1.5 Every effort will be made to meet the traveler’s needs while taking advantage of New York State contracted or “economy/advance

purchase” airfares, “government” or “corporate/seminar” lodging rates and “negotiated” or “discount” rates for vehicle rental.

- 3.1.6 Tax exempt forms should always be used to prevent state and local taxes from being added to hotel or car rental bills whenever employees or contractors/consultants are traveling for Authority business in New York State, since New York taxes will not be reimbursed.
- 3.1.7 The Travel Desk will make the most cost effective arrangements for out-of-office meetings, seminars and training sessions, and must be used to book the rooms and facilities required for these types of events.
- 3.1.8 The Travel Desk will optimize cost savings and minimize trip times by scheduling/assigning the company plane and arranging charter flights as appropriate. (See sections 3.8 and 3.9)
- 3.1.9 Whenever possible, employees should use fleet vehicles, which will be maintained at all sites, to secure ground transportation for business purposes; however, employees are expected to use alternate means, including personal vehicles, if fleet vehicles are not available. To request a fleet car, the traveler should go to the Authority’s intranet page and follow the instructions.
- 3.1.10 Expenses incurred for meals while traveling will be reimbursed according to the Corporate Accounting Policy (CAP) 1.5, Reimbursement of Employee Meal Costs.
- 3.1.11 Any exceptions to this travel policy must be approved by the Director of Corporate Support Services and Senior Vice President (SVP) Corporate Support Services.

3.2 Responsibilities

- 3.2.1 The manager authorized to approve an employee’s or contractor’s/consultant’s Expense Statement must ensure that the traveler has complied with the provisions of this policy.
- 3.2.2 Travelers are responsible for compliance with this Corporate Policy and also for verification that all travel arrangements are correct.
- 3.2.3 The Director of Corporate Support Services and the SVP Corporate Support Services implement this policy and determine appropriate revisions.

3.3 Travel Arrangements

- 3.3.1 Employees and contractors/consultants must book all business travel through the Travel Desk. The Travel Coordinator will book the most cost effective and time efficient travel for the trip.
- 3.3.2 If the traveler requests a different itinerary than provided by the Travel Desk, then the traveler must obtain approval from the appropriate manager or Departmental designee. The email with the approval should be forwarded to the Travel Desk before tickets are issued. All approved exceptions will be maintained in Travel Desk files.
- 3.3.3 Employees and contractors/consultants should make travel requests as far in advance as possible, so that the Travel Coordinator may obtain the lowest airfares and hotel rates. The travel request should include preferred time and departure airport, location and dates of meetings/accommodations, etc.
- 3.3.4 Every effort will be made to secure alternatives that meet both the traveler's preferences and this policy. The Travel Coordinator will notify the traveler if preferred routings, departure times, or hotel accommodations are not available or if preferred airlines or airports or hotel accommodations are not the most reasonable and lowest-cost alternatives. New York State Office of General Services (OGS) or Authority negotiated discount fares will always take precedence over whatever airline or routing that the passenger prefers.
- 3.3.5 The Authority allows travelers to participate in and keep the benefits of "frequent flyer" and other mileage/usage related programs. However, required business travel will not be arranged to meet any particular program requirements, unless program pricing is equal to or less than competing alternatives.
- 3.3.6 If the employee is traveling on Authority business outside the U.S., the employee may need a valid passport. If the employee needs to acquire or renew his U.S. Passport to conduct Authority business, then the Authority will reimburse the employee for that expense.

3.4 Reimbursement

- 3.4.1 Business air or train travel will be charged by the Travel Desk to a centralized Citibank VISA account that will be reconciled by

Accounting staff. Air and/or train travel for Authority business will not be expensed by the individual traveler.

- 3.4.2 Employee travel expenses, other than air or train tickets, are reimbursed through the Employee Expense Statement (hard copy or electronic, whichever applies). The employee submitting an expense statement is responsible for its accuracy and completeness. Additionally, the signature or electronic approval of the employee's supervisor, manager, director (or higher) indicates that the expense statement is complete, meets documentation and receipt requirements, includes only reasonable business expenses and is in compliance with this policy.
- 3.4.3 Travel invoices issued by the Travel Desk in response to a traveler's requested trip arrangements must be attached to the expense statement to ensure reimbursement of approved business expenses.
- 3.4.4 Travelers will not be reimbursed for any travel expenses not in compliance with this policy.

3.5 Air Transportation

- 3.5.1 The Travel Coordinator will seek to provide economical airfares which could include a one-stop flight or a connecting flight with a layover of two hours or less. Travelers should be ready to accept alternative reservations established within a two hour "window" of their requested departure times in order to achieve fare savings.

- 3.5.2 A commercial aircraft must be multi-engine turbine powered with two (2) pilots flying the trip.
- 3.5.3 All business travel of less than 2500 one-way air miles will be booked in “coach”. If a business traveler has one way flight time exceeding 7 hours to their destination, the traveler can depart a day earlier so that he/she can be rested for the next day’s activity. If a business traveler has one way flights that exceed 2500 air miles, business class may be booked instead of coach upon the approval of the Senior Vice President, Corporate Support Services.
- 3.5.4 If a New York State Office of General Services (OGS) negotiated fare is available for a traveler’s proposed trip, then that fare will be used as long as it fits the requirements of provision 3.5.1. If an “incentive” or “special” fare is also available for the same city-pair, then that roundtrip fare may be used if the savings is more than \$200 over the OGS roundtrip fare. Any other exception must be approved by the traveler’s supervisor.
- 3.5.5 "Special fares" frequently provide substantial fare savings, but may carry up to a 100% charge for changes or cancellations. These fares can be very economical, but they have scheduling drawbacks, and should be used with caution. If these fares are booked and a change or cancellation is required due to legitimate business circumstances, the Authority will absorb the expense and charge the employee’s cost center.
- 3.5.6 Employees may use a transportation differential of up to \$200.00 (roundtrip) to choose between trips originating from the New York City airports, i.e., LaGuardia, JFK and Newark, and from Westchester County Airport or Newburgh/Stewart Airport. For example, if a roundtrip originating from Newburgh/Stewart costs over \$200.00 more than the same trip from Newark, then the employee's trip will be booked from Newark unless an approval of the exception is sent by the individual who signs off on the employee's expense statement or the employee agrees to pay the amount in excess of \$200.00
- 3.5.7 Ground transportation to/from airports should be as reasonable as possible, given employee's individual travel situations. The Travel Desk will assist employees in choosing among the airport transit options most suitable for them. Car service is expensive and should be a last resort to get to the airport. Preferred car service providers, who provide cost-effective rates for Authority travelers, are listed on the Travel Desk’s website. The use of the employee's personal car



will be reimbursable in accordance with the Authority's "Business Mileage Rate for Transportation" which conforms to the IRS guidelines.

3.6 Hotel Reservations

- 3.6.1 The Travel Coordinator at the Travel Desk will always attempt to secure the lowest available rates for hotel accommodations, whether at "government", "corporate/seminar", "negotiated discount" or other special rates. The federal reimbursement rate for that location, as referenced in the U.S. General Services Administration's Domestic Per Diem Rates, will be used as a guideline.
- 3.6.2 It is the policy of the Travel Desk to book overnight stays in hotels that provide a "government rate", unless no such suitable accommodation is available. The Travel Coordinator will indicate a choice of median-rated hotel accommodations within reasonable proximity to the employee's meeting/business location, in order to provide the most economical rates available for the employee. For conferences, reservations will be made in the hotel where the conference is being held, provided that those accommodations are in accordance with this policy. If an employee prefers to stay at a hotel with no government rate, when, in fact, a government rate is available at a nearby hotel, the reimbursement will cover only the amount of the declined government rate. All exceptions will be reported to Accounts Payable by the Travel Desk staff.
- 3.6.3 Unless otherwise requested, hotel accommodations for late arrivals will be automatically guaranteed to the traveler's credit card.
- 3.6.4 When canceling a hotel reservation, the Travel Coordinator will give the traveler a cancellation code which should be retained in the traveler's files. If cancellations are called in directly to the hotel, then the caller should notify the Travel Desk of the cancellation number, the name of the individual who accepted the cancellation, and the date and time of the cancellation. Please note that this information is necessary if the hotel mistakenly charges the traveler a "no-show" expense (usually the cost of one night's lodging).

3.7 Car Rentals

- 3.7.1 The Travel Coordinator will secure car reservations using the Authority's contract vendors.
- 3.7.2 The Travel Coordinators will always request the lowest (most fuel-efficient) car class size suitable for the business purposes. When fewer than three employees are traveling together, an intermediate-sized car or smaller will be booked unless there are compelling business related reasons that call for a larger vehicle.

- 3.7.3 Employees travelling for business should use their Corporate Credit Cards for car rental transactions since the credit card is providing collision damage coverage through a separate agreement with the Authority. A traveler will NOT be reimbursed for collision damage insurance on a car rental.
- 3.7.4 Liability Insurance Supplement (LIS) and Personal Accident Insurance (PAI)/Personal Effects Coverage (PEC) will be offered by most car rental agencies. PAI allows renters to elect accidental death and blanket medical coverage for themselves and their passengers, while PEC provides insurance for loss of or damage to a customer's personal effects during the rental period. These extra insurances, e.g., LIS, PAI, and PEC will NOT be reimbursed by the Authority.
- 3.7.5 The completed car rental agreement with the receipt for payment must be attached to the traveler's expense statement submitted for reimbursement.
- 3.7.6 All rental vehicle accidents must be immediately reported to the Authority's Insurance Department using appropriate forms.
- 3.7.7 Travelers should attempt to minimize rental costs. Cars picked up at one location should be returned to the same location whenever possible to avoid incurring mileage and drop-off charges. To avoid contract vendor fill-up charges, employees should return cars with a full tank of gas.
- 3.7.8 Transportation to/from airports to the office/hotel by van or bus service is encouraged. Many hotels/conferences offer a complimentary transport service. The Travel Desk can often provide advance information on such services, and assist in arranging for their use.

3.8 Corporate Airplane

- 3.8.1 Flight Operations will reserve the corporate airplane on a first-come, first-serve basis for personnel on Authority related business.

- 3.8.2 Each flight on the corporate airplane must be to and from destinations within New York State. Use of the corporate airplane should be the cost-effective choice when compared to commercial flights plus hotel lodging, car rentals, and employee lost productivity. This cost comparison is done through the use of Travel\$ense, a software program designed to compare the cost of travel via business aircraft versus airlines or other alternate means. If the Travel\$ense analysis indicates a trip is not a cost-effective use of the corporate airplane, Flight Operations, in conjunction with the Travel Desk, will recommend other travel alternatives. Approvals are subject to the terms of Section 3.1.11. Travel\$ense reports are kept by Flight Operations for all Authority flights conducted on the corporate airplane detailing the cost savings associated with each trip.
- 3.8.3 The corporate airplane cannot be used solely to transport members of the Board of Trustees to and from board meetings. Trustees performing Authority related work, or for government purposes, may travel on the corporate airplane only on trips which have already been scheduled for other Authority employees and which result in no additional cost to the Authority.
- 3.8.4 Requests for use of the corporate airplane are made through the intranet-based NYPA Aircraft Reservation System, hosted by Professional Flight Management. Select individuals are granted access to the site, and act on behalf of their Business Unit head, and the Business Unit travelers, to submit all appropriate requests to Flight Operations. These requests are then processed and scheduled by the company pilots, and a notice of trip status is then sent to all passengers via email. All changes to trip requests are made through the same process. To gain access to the intranet-version of the company airplane reservation system, a written request should be made to the Director, Aviation and Travel Operations. The basis for the request should be indicated, e.g. that he/she is replacing someone who has current access or showing that the group he/she represents is a frequent user of the corporate airplane, and has been approved by the Business Unit head to act on their behalf as a designated scheduler. The Director, Aviation and Travel Operations will then ensure that these individuals are granted access to the reservation system, which includes the corporate airplane's 90 day extended schedule.
- 3.8.5 Consultants or contractors, performing Authority related work, may utilize the corporate airplane provided that this trip results in no additional cost to the Authority.

The Chairman of the Board of Trustees or the President and Chief Executive Officer may authorize:

- (1) Non-Authority employees to accompany an Authority employee on the corporate plane for governmental purposes; or
- (2) Federal, State or Local Government officials to utilize the corporate airplane for government purposes.

All non-Authority travelers will be required to sign a written waiver of any claim or liability against the Authority arising out of such use.

- 3.8.6 The cost of the corporate airplane is not charged back to the employees' budgets, but is budgeted as a corporate resource for all Business Units of the Authority.
- 3.8.7 If the corporate airplane is unexpectedly unable to fly a scheduled trip, then other means of travel will be arranged for those booked. If the other means of travel, due to special conditions, is a charter plane, then the cost of the charter will in most cases be charged back to the appropriate departmental budget(s).

3.9 Charters

- 3.9.1 The Travel Desk is responsible for arranging aircraft charters. If the Authority's corporate airplane is unable to do a trip for the business group and commercial flights are not available or cost justified, then charter prices may be sought from those vendors with contracts with the Authority to provide charter aircraft. The aircraft most closely meeting the needs of the business group and with the most cost effective pricing will be booked to satisfy extreme travel circumstances.

A charter aircraft must be multi-engine turbine powered with 2 pilots flying the trip. The pilots must meet the Authority's minimum standards for its own pilots.

- 3.9.2 The request for a charter aircraft must be approved by the President and Chief Executive Officer before committing to the charter provider. In the case of the President and Chief Executive Officer's request for a charter aircraft, the Senior Vice President Corporate Support Services, the General Counsel and the Chairman must approve the trip.

- 3.9.3 To finalize the transaction, the business group must provide the appropriate Authority cost center code and the cost element to the Travel Desk, so that the cost can be charged back to the departmental budget.
- 3.9.4 The charter trip will be scheduled as an additional trip on the corporate plane schedule, viewable on the Authority's intranet, so that the Authority's pilots and other users are aware of it. In this way, available seats might be filled with other travelers.
- 3.9.5 If there is a concern over the possibility of an emergency need for the corporate airplane, the charter plane may be kept reserved until 24 hours before the trip and then released. If the corporate airplane becomes available by the close of business on the day before the scheduled trip, it should be the preferred aircraft, replacing the charter.
- 3.9.6 Charters usually have cancellation penalty clauses that are substantial. Any arrangements must include the business group representative's agreement to pay the cancellation fees which may be imposed.

3.10 Meetings/Seminars/Training Sessions

- 3.10.1 Authority events such as meetings, seminars, and training sessions that are held out of the office must be reviewed by the Travel Desk.

All hotel accommodations must be booked for these events through the Travel Desk to ensure rate policy compliance. Employees should send written proposals to the Travel Desk in a timely fashion for review and scheduling. Only hotel rooms and meeting facilities will be reviewed and booked by Travel Desk personnel. Food requirements, meeting set-up, etc. are the responsibility of the respective Business Unit.

Plans for group business luncheons or dinners for 50 people or less, may be made by the appointed person from within the Business Unit or department sponsoring the event. The cost of all such luncheons or dinners must be kept within the limits of the reimbursement policy covering Off Premises Meals.

- 3.10.2 Events estimated to exceed \$15,000 will be submitted to Procurement for advertising in the Contract Reporter. Procurement will issue a bidding document to interested parties. Travel Desk staff

and the requesting group's representative(s) will review the bids and select the most appropriate and cost-effective provider.

Events in the \$5,000 to \$14,999 range will be researched by the Travel Desk staff who will recommend a vendor to Procurement for contract execution.

3.10.3 When the cost and details of the conference room(s), refreshments, and other amenities from the hotel, restaurant or conference center have been agreed upon, the designated business group representative should sign the contract from the vendor. After the event, the requestor is responsible for reviewing, entering budget codes and sending the subsequent bill for services in a timely manner to Accounts Payable for issuance of the payment.

3.10.4 Outside meeting arrangements generally include cancellation clauses. Please note that any arrangement must include the requesting business group representative's agreement to pay any cancellation fees involved.

3.11 Cancellation/Revisions

3.11.1 The Travel Coordinator should be immediately advised of any cancellations – air, hotel, car, etc. Failure to do so could result in penalties on airfares and no-show charges for hotels and cars. Please note that any Authority incurred avoidable charges will be billed to the business group's appropriate responsibility code/cost element if not properly cancelled.

3.11.2. Except in emergency situations, any revisions to an employee's itinerary must be made by the Travel Desk. Charges for emergency measures must be supported by appropriate documentation from vendors.

3.12 Contractor Travel

3.12.1 Contractors **must** make all travel arrangements through the Travel Desk. Travel arrangements made through outside travel agencies are only reimbursable in accordance with current Authority negotiated or government rates.

3.12.3 A complete Contractor Travel Profile form must be on file for each contractor prior to requesting travel services from the Travel Desk. The contractor's Authority manager will request Accounts Payable

staff to assign an Authority Contractor Number for each contractor who will be traveling. The number is then added to the Contractor Travel Profile before it is forwarded to the Travel Desk.

- 3.12.4 All Contractor Travel requests must have the contractor's Authority manager's approval prior to submission to the Travel Desk.
- 3.12.5 The maximum amount of reimbursable airfare should not exceed the cost of round trip government airfare between the appropriate Authority facility and the location of the contractor's preapproved point of origin, unless otherwise authorized by the appropriate Authority Business Unit head or designee.
- 3.12.6 The Travel Desk will issue itineraries for all travel arrangements made for contractors. A copy of these itineraries will be sent via email to the contractor and the appropriate Authority manager. A copy of a contractor's Authority travel itinerary and associated receipts, excluding meals, must be attached to vendor's invoice.
- 3.12.7 The Authority Meal Policy must be adhered to by contractors at all times. Meal expenses which do not conform to this policy are not reimbursable. Meals shall be paid on a per diem based on the schedule listed below. Meal receipts are not required.
- 3.12.8 The Authority's N.Y. State Sales Tax Exemption forms must always be used for hotel and car expenses incurred within New York State. Sales tax charged for these services within New York State are not reimbursable.
- 3.12.9 Contractors/consultants will use their personal credit cards for car rental transactions.
- 3.12.10 Additional fees, such as auto insurance, road side assistance on car rentals, will not be reimbursed. Upgrades to larger size or luxury vehicles are also not reimbursable. Miscellaneous expenses, such as tips, fees for use of hotel gym/ fitness rooms, medications, toiletries, snacks, magazines, newspapers, etc. are personal and will not be reimbursed.
- 3.12.11 The Travel Desk must be advised immediately of any cancellations. Failure to do so may result in penalties or no show charges which are not reimbursable.
- 3.12.12 Authority managers will review all contractor travel expense invoices to ensure compliance with this policy.



4.0 REFERENCES

- 4.1 CP 1-1 – Corporate Policy Program Administration
- 4.2 CAP 1.5 – Reimbursement of Employee Meal Costs
- 4.3 Corporate Flight Operations Manual

5.0 ATTACHMENTS

- 5.1 Power Business Travel Invoice
- 5.2 NYS Sales Tax Exemption Certificate
- 5.3 NYS Hotel Tax Exemption Certificate

President and Chief Executive Officer

NYPAPowerBusiness
TRAVEL 

SALES PERSON: 95 ITINERARY/INVOICE NO. 0008112 DATE: 29 OCT 04
CUSTOMER NBR: 0000171800 HMTZ02 PAGE: 01

TO: NY POWER AUTHORITY
123 MAIN ST 6280
WHITE PLAINS NY 10601
ATTN

FOR: REF:

02 NOV 04 - TUESDAY

AIR US AIRWAYS FLT:4079 COACH CLASS
OPERATED BY US AIRWAYS EXPRESS-PIEDMONT AIRLINES
LV NEW YORK LGA 600P EQP: DASH 8 TPROP
DEPART: USAIRWAYS LA GUARDIA TERM 01HR 49MIN
AR BUFFALO 749P NON-STOP
REF: CFTYNP

SEAT- 7D US-1439360
CAR BUFFALO BUDGET RENT A CAR INTER CAR AUTO A/C

PICK UP-1949
RETURN-03NOV/1915
RATE PLAN 1 DAYS 0 HRS USD MI/KM EX MI/KM
DAILY RATE 42.50 UNL
XTRA DAY- 42.50 UNL
XTRA HOUR- 14.18 UNL
MANDATORY CHARGES 5.53
APPROX RENTAL COST 48.03 UNL
CONFIRMATION NUMBER 05103994US1 RATE-GUARANTEED
CD-X909800 ID-HA681D

HOTEL BUFFALO OUT-03NOV
HOLIDAY INN 1 NIGHT
HOLIDAY INN NIAGARA FALLS 1 ROOM
231 THIRD ST RATE-89.00USD PER NIGHT
NIAGARA FALLS NY 14303 CANCEL BY 06P DAY OF ARRIVAL
PHONE 716-282-2211
FAX 716-282-2748
GUARANTEED LATE ARRIVAL
CONFIRMATION 65551388

03 NOV 04 - WEDNESDAY

AIR US AIRWAYS FLT:3998 COACH CLASS
OPERATED BY US AIRWAYS EXPRESS-PIEDMONT AIRLINES
LV BUFFALO 715P EQP: DASH 8 TPROP
AR NEW YORK LGA 900P 01HR 45MIN
ARRIVE: USAIRWAYS LA GUARDIA TERM NON-STOP
REF: CFTYNP
SEAT- 6C US-1439360

CONTINUED ON PAGE 2

ITINERARY



NYPA Power Business

TRAVEL



SALES PERSON: 95 ITINERARY/INVOICE NO. 0008112
CUSTOMER NBR: 0000171800 HMTZOZ

DATE: 29 OCT 04
PAGE: 02

TO: NY POWER AUTHORITY
123 MAIN ST 628D
WHITE PLAINS NY 10601
ATTN :

FOR: REF: 12165

AIR TICKET US1100908793
ELEC TKT

BILLED TO VISA

331.20*

SUB TOTAL
NET CC BILLING

331.20

331.20*

TOTAL AMOUNT DUE

0.00

TO CHANGE OR CANCEL RESERVATIONS
PLEASE CALL POWER BUSINESS TRAVEL AT 914-287-3191
DURING 8A-5P MON-FRI EXCEPT HOLIDAYS
IF ITS AN EMERGENCY HIT ZERO POUND
FOR AFTER HOURS *EMERGENCY ONLY* CALL 800-390-6474
PLEASE BE SURE TO BRING POSITIVE PHOTO IDENTIFICATION
IF YOU DO **NOT** USE ANY PART OF YOUR ETKT YOU MUST
NOTIFY THE TRAVEL DESK TO PROCESS A REFUND
FOR THE UNUSED PORTIONS OF YOUR TICKET
YOUR RECORD LOCATOR FOR THIS RESERVATION IS *CFTYNP



For use only by Representatives or Employees of Departments or Agencies of the State of New York

**TO: NEW YORK STATE
SALES TAX BUREAU**

**#131850882
EXEMPTION CERTIFICATE
TAXES IMPOSED PURSUANT TO
ARTICLES 28 AND 29 OF THE TAX LAW**

NAME OF PERSON OR FIRM FURNISHING SERVICES _____ DATE _____ 20____

ADDRESS _____

This is to certify that I, the undersigned, am a representative or employee of the New York State Department or Agency indicated below; that the charges for the transaction on the date set forth below have been or will be paid for by such department or agency; and that such charges are incurred in the performance of my official duties as such representative or employee.

NATURE OF TRANSACTIONS _____

DATES OF TRANSACTIONS _____

SIGNATURE OF REPRESENTATIVE OR EMPLOYEE

NEW YORK STATE DEPT.
OR AGENCY NEW YORK POWER AUTHORITY

TITLE

NOTE: A separate exemption certificate is required for each transaction and from each person claiming exemption

TAX EXEMPT ID# 131850882



New York State Department of Taxation and Finance

Exemption Certificate

Tax on occupancy of hotel rooms

ST-129
(10/00)

This form may only be used by government employees of the United States, New York State, or political subdivisions of New York State.

Name of hotel, motel, lodging house, etc.		Dates of occupancy	
		From: / /	To: / /
Number and street	City, village, or post office	State	ZIP code
Country			
<p><i>This is to certify that I, the undersigned, am a representative of the department, agency, or instrumentality of New York State, the United States government, or the political subdivision of New York State indicated below; that the charges for the occupancy at the above establishment on the dates listed have been or will be paid for by that governmental entity; and that these charges are incurred in the performance of my official duties as a representative or employee of that governmental entity.</i></p>			
Governmental entity (federal, state, or local)		Agency, department, or division	
New York Power Authority			
Employee name (print or type)	Employee title	Employee signature	Date
			/ /

Instructions for the government representative or employee

If you are on official New York State or federal government business and staying in a hotel or motel:

1. Complete all information requested in the box above.
2. Sign and date this exemption certificate in the box above.
3. Show the operator of the hotel or motel your appropriate and satisfactory identification.
4. Give this completed Form ST-129 to the operator of the establishment.

You may pay your hotel bill with cash, with a personal check or personal credit card, with a government voucher, or with a government credit card.

Please note:

- If, while on official business, you stay at more than one location, you must complete an exemption certificate for each establishment.
- If you are in a group traveling on official business and staying in this particular hotel, each person must complete a separate exemption certificate and give it to the hotel operator.

Caution: Willfully issuing a false or fraudulent certificate with the intent to evade tax is a misdemeanor under section 1817(m) of the Tax Law and section 210.45 of the Penal Law, punishable by a fine of up to \$10,000.

Instructions for the operator of the hotel or motel

Keep this completed Form ST-129, *Exemption Certificate*, as evidence of exempt occupancy by New York State and federal government employees who are on official business and staying at your establishment. You must keep this exemption certificate for at least three years after the later of: 1) the due date of the last sales tax return to which this exemption certificate applies; or 2) the date when you filed the return.

This exemption certificate is valid if the government employee is paying with:

- Cash.
- A personal check or personal credit card.
- A government voucher.
- A government credit card.

Do not accept this certificate unless the representative or employee presenting it shows appropriate and satisfactory identification.



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SUBJECT: TRAVEL

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1.0 SCOPE

This policy establishes guidelines for business travel arrangements and travel expense reimbursements.

2.0 IMPLEMENTATION

This policy shall be adhered to by the staff of all Authority Business Units and Departments, and contractors/consultants doing business on behalf of the Authority. -Recommendations for changes to this policy or a new corporate policy shall be processed in accordance with CP 1-1 "Corporate Policy Program Administration".

3.0 MANAGEMENT CONTROLS

3.1 General

3.1.1 Employees must use Power Business Travel, (the Corporate Travel Desk ~~or CTD~~), for air, hotel and car rental arrangements in order to be reimbursed for business travel expenses.

Contractors/consultants, doing business on behalf of the Authority, must use Power Business Travel for all air, hotel and car rental arrangements in order to be reimbursed for approved business travel expenses.

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3.1.2 The CTD Travel Desk will make the most cost effective arrangements that meet the traveler's needs. -Exceptions or changes to CTD Travel Desk recommended arrangements must be approved by the traveler's Business Unit/Department Head.

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3.1.3 Travel associated invoices must be submitted with expense statements for reimbursement, ~~except in emergency travel situations~~.

3.1.4 In the event that emergency travel arrangements are made by the traveler, written explanation of the circumstances, ~~along with approval by the Business Unit or Department Head~~, must be provided to the Travel Desk, which will produce an invoice to be submitted with the expense statement ~~in lieu of an invoice from the CTD to ensure reimbursement~~.



- 3.1.5 Every effort will be made to meet ~~employee travel~~ the traveler's needs while taking advantage of ~~NYS New York State~~ contracted or "economy/advance purchase" airfares, "government" or "corporate/seminar" lodging rates and "negotiated" or "discount" rates for vehicle rental.
- 3.1.6 Tax exempt forms should always be used to prevent state and local taxes from being added to hotel or car rental bills whenever employees or contractors/consultants are traveling for Authority business in New York State, since New York taxes will not be reimbursed ~~on employee expense statements~~.
- 3.1.7 ~~Power Business~~ The Travel Desk will make the most cost effective arrangements for out-of-office meetings, seminars and training sessions, and must be used to book the rooms and facilities required for these types of events.
- 3.1.8 ~~Power Business~~ The Travel Desk will optimize cost savings and minimize trip times by scheduling/assigning the company plane and arranging charter flights as appropriate. (See sections 3.8 and 3.9)
- 3.1.9 Whenever possible, employees should use fleet vehicles, which will be maintained at all sites, to secure ground transportation for business purposes; however, employees are expected to use alternate means, including personal vehicles, if fleet vehicles are not available. To request a fleet car, the traveler should go to the Authority's intranet page and follow the instructions.
- 3.1.10 Expenses incurred for meals while traveling will be reimbursed according to the Corporate Accounting Policy (CAP) 1.5, Reimbursement of Employee Meal Costs.
- 3.1.11 Any exceptions to this travel policy must be approved by the Director of Corporate Support Services. ~~In the case of exceptions for Business Unit Heads, Trustees or the President, approval of the Executive and Senior Vice President (SVP) Corporate Support Services and Administration, will be required.~~

3.2 Responsibilities

- 3.2.1 The ~~Business Unit or Department Head who is empowered~~ manager authorized to approve ~~the Employee an employee's or contractor's/consultant's~~ Expense Statement must ensure that ~~staff~~ the traveler has ~~complies-complied~~ with the provisions of this policy.



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~~3.2.2~~ ~~Travel coordinators at Power Business Travel and the sites inform the traveler and document on the itinerary/invoice all the exceptions to this policy requested by the traveler.~~

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~~3.2.3~~ 3.2.2 Employees Travelers are responsible for compliance with this Corporate Policy and also for verification that all travel arrangements are correct.

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~~3.2.4~~ 3.2.3 The Director of Corporate Support Services implements and the SVP Corporate Support Services implement this policy and determines/determine appropriate revisions.

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3.3 Travel Arrangements

3.3.1 Employees and contractors/consultants must book all business travel through the CTD Travel Desk. ~~An Authority The~~ Travel Coordinator will book the most cost effective and time efficient travel for the employee's trip.

3.3.2 If ~~an employee~~ the traveler requests a different itinerary than provided by the CTD Travel Desk, then the CTD Travel Desk traveler will issue a copy of must obtain approval from the employee's proposed itinerary, appropriate manager or Departmental designee. The email with the CTD Travel Desk suggested itinerary, indicating the fares and difference in prices. The employee's proposed itinerary will approval should be stamped "Exception Itinerary Authorization", and, in order forwarded to take preference over the CTD Travel Desk suggested itinerary, must be approved by the employee's Business Unit/Department Head or their designee and be returned to the CTD Travel Desk before tickets can be issued. Any such action All approved exceptions will include specific reasons why be maintained in the approval has been granted Travel Desk files.

3.3.3 Employees and contractors/consultants should make travel requests as far in advance as possible, so that the Travel Coordinator may obtain the lowest airfares and hotel rates. ~~The~~ travel request should include preferred time and departure airport, location and dates of meetings/accommodations, etc.

3.3.4 Every effort will be made to secure alternatives that meet both the employee's traveler's preferences and this policy. ~~The~~ Travel Coordinator will notify the employee-traveler if preferred routings, departure times, or hotel accommodations are not available or if preferred airlines or airports or hotel accommodations are not the



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most reasonable and lowest-cost alternatives. -New York State Office of General Services (OGS) or Authority negotiated discount fares will always take precedence over whatever airline or routing that the passenger prefers.

3.3.5 The Authority allows employees-travelers to participate in and keep the benefits of "frequent flyer" and other mileage/usage related programs. -However, required business travel will not be arranged to meet any particular program requirements, unless program pricing is equal to or less than competing alternatives.

3.3.6 If the employee is traveling on Power-Authority business outside the U.S., the employee may need a valid passport. -If the employee needs to acquire or renew his U.S. Passport to conduct Authority business, then the Authority will reimburse the employee for that expense.

~~3.3.7 Anyone attending an out-of State seminar or conference must submit a copy of the agenda with his/her travel request.~~

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~~3.3.8 After attending a conference, an employee shall submit a post-conference report to his/her supervisor on what seminars or classes were attended and how it benefited him/her as well as NYPA.~~

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3.4 Reimbursement

3.4.1 Business air or train travel will be charged by the CTD Travel Desk to a centralized Citibank VISA account that will be reconciled by Accounting staff. -Air and/or train travel for NYPA-Authority business will not be expensed by the individual traveler.

3.4.2 Employee Travel expenses, other than air or train tickets, are reimbursed through the Employee Expense Statement (hard copy or electronic, whichever applies). The employee submitting an expense statement is responsible for its accuracy and completeness. Additionally, the signature or electronic approval of the employee's supervisor, manager, director (or higher) indicates that the expense statement is complete, meets documentation and receipt requirements, includes only reasonable business expenses and is in compliance with this policy.

3.4.3 Travel invoices issued by the CTD Travel Desk in response to an employee's a traveler's requested trip arrangements must be attached to an employee's the expense statement to ensure reimbursement of approved business expenses.



3.4.4 [Employees Travelers](#) will not be reimbursed for any travel expenses not in compliance with this policy.

3.5 Air Transportation

3.5.1 The Travel Coordinator will seek to provide economical airfares which could include a one-stop flight or a connecting flight with a layover of two hours or less. [Employees Travelers](#) should be ready to accept alternative reservations established within a two hour "window" of their requested departure times in order to achieve fare savings.

3.5.2 A commercial aircraft must be multi-engine turbine powered with two (2) pilots flying the trip.

3.5.23.5.3 All business travel of less than 2500 one-way air miles will be booked in "coach". If a business traveler has one way flight time exceeding 7 hours to their destination, the traveler can depart a day earlier so that he/she can be rested for the next day's activity. If a business traveler has one way flights that exceed 2500 air miles, business class may be booked instead of coach upon the approval of the Executive Senior Vice President, Corporate Support Services and Administration.

3.5.33.5.4 If a New York State Office of General Services (OGS) negotiated fare is available for a traveler's proposed trip, then that fare will be used as long as it fits the requirements of provision 3.5.1. If an "incentive" or "special" fare is also available for the same city-pair, then that roundtrip fare may be used if the savings is more than \$200 over the OGS roundtrip fare. Any other exception must be approved by the traveler's supervisor.

3.5.43.5.5 "Special fares" frequently provide substantial fare savings, but may carry up to a 100% charge for changes or cancellations. These fares can be very economical, but they have scheduling drawbacks, and should be used with caution. If these fares are booked and a change or cancellation is required due to legitimate business circumstances, the Authority will absorb the expense and charge the employee's cost center.

3.5.53.5.6 Employees may use a transportation differential of up to \$200.00 (roundtrip) to choose between trips originating from the New York City airports, i.e., LaGuardia, JFK and Newark, and from Westchester County Airport or Newburgh/Stewart Airport. For example, if a roundtrip originating from Newburgh/Stewart costs over \$200.00 more than the same trip from Newark, then the employee's trip will be booked from Newark unless an approval of the exception itinerary for Newburgh/Stewart is approved sent by the individual who signs off on the employee's expense statement or the employee agrees to pay the amount in excess of \$200.00

3.5.63.5.7 Ground transportation to/from airports should be as reasonable as possible, given employee's individual travel situations. - The CTD Travel Desk will assist employees in choosing among the airport transit options most suitable for them. - Car service is expensive and should be viewed as a last resort to get to the airport. - Preferred car service providers, who provide cost-effective

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[rates for Authority travelers, are listed on the Travel Desk's website.](#)
The use of the employee's personal car will be reimbursable in accordance with the Authority's "Business Mileage Rate for Transportation" which conforms to the IRS guidelines.



3.6 Hotel Reservations

- 3.6.1 The Travel Coordinator at the [CTD Travel Desk](#) will always attempt to secure the lowest available rates for hotel accommodations, whether at "government", "corporate/seminar", "negotiated discount" or other special rates.- The federal reimbursement rate for that location, as referenced in the U.S. General Services Administration's Domestic Per Diem Rates, will be used as a guideline.
- 3.6.2 It is the policy of the [CTD Travel Desk](#) to book overnight stays in hotels that provide a "government rate", unless no such suitable accommodation is available.- The Travel Coordinator will indicate a choice of median-rated hotel accommodations within reasonable proximity to the employee's meeting/business location, in order to provide the most economical rates available for the employee.- For conferences, reservations will be made in the hotel where the conference is being held, provided that those accommodations are in accordance with this policy.- If an employee prefers to stay at a hotel with no government rate, when, in fact, a government rate is available at a nearby hotel, the reimbursement will cover only the amount of the declined government rate. [All exceptions will be reported to Accounts Payable by the Travel Desk staff.](#)
- 3.6.3 Unless otherwise requested, hotel accommodations for late arrivals will be automatically guaranteed to the [employee's-traveler's](#) credit card.
- 3.6.4 When canceling a hotel reservation, the Travel Coordinator will give the [employee-traveler](#) a cancellation code which should be retained in the [employee's-traveler's](#) files. -If cancellations are called in directly to the hotel, then the caller should notify the [CTD Travel Desk](#) of the cancellation number, the name of the individual who accepted the cancellation, and the date and time of the cancellation. Please note that this information is necessary if the hotel mistakenly charges the [employee-traveler](#) a "no-show" expense (usually the cost of one night's lodging).

3.7 Car Rentals

- 3.7.1 The Travel Coordinator will secure car reservations using the Authority's contract vendors.
- 3.7.2 The Travel Coordinators will always request the lowest (most fuel-efficient) car class size suitable for the business purposes. -When fewer than three employees are traveling together, an intermediate-



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sized car or smaller will be booked unless there are compelling business related reasons that call for a larger vehicle.

- 3.7.3 ~~The car rental contract provides Loss Damage Waiver (LDW) coverage for Authority drivers in the continental U.S. at no charge. This coverage should be indicated, but not charged, on the rental agreement. Outside the U.S., employees should accept and pay for LDW coverage, for which the Authority will reimburse them. Employees travelling for business should use their Corporate Credit Cards for car rental transactions since the credit card is providing collision damage coverage through a separate agreement with the Authority. A traveler will NOT be reimbursed for collision damage insurance on a car rental.~~
- 3.7.4 Liability Insurance Supplement (LIS) and Personal Accident Insurance (PAI)/Personal Effects Coverage (PEC) will be offered by most car rental agencies. -PAI allows renters to elect accidental death and blanket medical coverage for themselves and their passengers, while PEC provides insurance for loss of or damage to a customer's personal effects during the rental period. ~~Since the Authority is self-insured, all additional insurance should be DECLINED for business travel.~~ These extra insurances, e.g., LIS, PAI, and PEC and LDW (within the U.S.) will NOT be reimbursed by the Authority.
- 3.7.5 The completed car rental agreement with the receipt for payment must be attached to the ~~employee's~~ traveler's expense statement submitted for reimbursement.
- 3.7.6 All rental vehicle accidents must be immediately reported to the Authority's Insurance Department using appropriate forms, ~~with a copy to the CTDTravel Desk.~~
- 3.7.7 ~~Employees-Travelers~~ should attempt to minimize rental costs.- Cars picked up at one location should be returned to the same location whenever possible to avoid incurring mileage and drop-off charges. To avoid contract vendor fill-up charges, employees should return cars with a full tank of gas.
- 3.7.8 Transportation to/from airports to the office/hotel by van or bus service is encouraged. -Many hotels/conferences offer a complimentary transport service. -The CTDTravel Desk can often provide advance information on such services, and assist in arranging for their use.

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3.8 Corporate Airplane

3.8.1 ~~The Travel Services Administrator (or designee)~~ [Flight Operations](#) will reserve the corporate airplane on a first-come, first-serve basis for personnel on Authority related business.



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3.8.2 Each flight on the corporate airplane ~~which is booked for staff must include a group of three or more travelers must be to and from destinations within New York State. Use of the corporate airplane~~ Such flights should be the cost-effective choice when compared to commercial flights plus hotel lodging, and car rentals, and employee lost productivity where applicable. This cost comparison is done through the use of TravelSense, a software program designed to compare the cost of travel via business aircraft versus airlines or other alternate means. If the TravelSense analysis indicates a trip is not a cost-effective use of the corporate airplane, Flight Operations, in conjunction with ~~to book the corporate airplane, the CTDT Travel Desk's airplane scheduler~~ will recommend other travel alternatives. Approvals are subject to the terms of Section 3.1.11. TravelSense reports are kept by Flight Operations for all Authority flights conducted on the corporate airplane detailing the cost savings associated with each trip.

3.8.3 ~~A request by the Chairman or President for use of the corporate airplane has priority over other passenger trips. The corporate airplane cannot be used solely to transport members of the Board of Trustees to and from board meetings. Trustees performing Authority related work, or for government purposes, may travel on the corporate airplane only on trips which have already been scheduled for other Authority employees and which result in no additional cost to the Authority.~~

3.8.4A ~~three-month version of the plane schedule, updated after each change or addition, is available on the Authority's intranet for viewing by those with password access. Access is limited to those interfacing with the airplane schedulers. Those viewers act as liaisons to those in their department/division/site who want to use the corporate airplane. Requests for use of the corporate airplane are made through the intranet-based NYPA Aircraft Reservation System, hosted by Professional Flight Management. Select individuals are granted access to the site, and act on behalf of their Business Unit head, and the Business Unit travelers, to submit all appropriate requests to Flight Operations. These requests are then processed and scheduled by the company pilots, and a notice of trip status is then sent to all passengers via email. All changes to trip requests are made through the same process.~~

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3.8.4 To gain access to the intranet-version of the ~~plane schedule~~ company airplane reservation system, a written request should be made to the ~~Travel Services Administrator~~ Director, Aviation and Travel Operations. The basis for the request should be

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indicated, e.g. that he/she is replacing someone who has current access or showing that the group he/she represents is a frequent user of the corporate airplane, and has been approved by the Business Unit head to act on their behalf as a designated scheduler. ~~In turn, the CTDTravel Desk's airplane scheduler will forward the approved request to the Authority's Information Technology staff who maintains the access to the intranet's plane schedule. The Director, Aviation and Travel Operations will then ensure that these individuals are granted access to the reservation system, which includes the corporate airplane's 90 day extended schedule.~~

3.8.5 Consultants or contractors, performing Authority related work, may utilize the corporate airplane provided that this trip results in no additional cost to the Authority.

~~3.8.5 The Chairman of the Board of Trustees or the President and Chief – Non-NYPA travelers will be required to sign a written waiver of any claim or liability against NYPA arising out of such use. Executive Officer may authorize:~~

3.8.5

~~3.8.5(1) Non-Authority employees to accompany an Authority employee on the corporate plane for governmental purposes; or~~
3.8.5

~~(2) Federal, State or Local Government officials may, under special circumstances, to utilize the corporate airplane for government purposes.~~

All non-Authority travelers will be required to sign a written waiver of any claim or liability against the Authority arising out of such use.

~~3.8.93.8.6~~ 3.8.6 The cost of the corporate airplane is not charged back to the employees' budgets, but is budgeted as a corporate resource for all ~~b~~Business ~~u~~Units of the Authority.

~~3.8.103.8.7~~ 3.8.7 If the corporate airplane is unexpectedly unable to fly a scheduled trip, then other means of travel will be arranged for those booked. ~~-~~If the other means of travel, due to special conditions, is a charter plane, then the cost of the charter will in most cases be charged back to the appropriate departmental budget(s).

3.9 Charters

3.9.1 The CTDTravel Desk is responsible for arranging aircraft charters. If the Authority's corporate airplane is unable to do a trip for the

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business group and commercial flights are not available or cost justified, then charter prices may be sought from those vendors with contracts with the Authority to provide charter aircraft. The aircraft most closely meeting the needs of the business group and with the most cost effective pricing will be booked to satisfy extreme travel circumstances.

3.9.1

3.9.1A charter aircraft must be multi-engine turbine powered with 2 pilots flying the trip. The pilots must meet the Authority's minimum standards for its own pilots.

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~~3.9.43.9.2~~ The request for a charter aircraft must be approved by the ~~Executive Vice President and Chief Executive Officer Corporate Services and Administration~~ before committing to the charter provider. - In the case of the President and Chief Executive Officer's request for a charter aircraft, the Senior Vice President Corporate Support Services, the General Counsel and the Chairman must approve the trip.

~~3.9.53.9.3~~ To finalize the transaction, the business group must provide the appropriate Authority responsibility-cost center code and the cost element to the CTD Travel Desk, so that the cost can be charged back to the departmental budget.

~~3.9.63.9.4~~ The charter trip will be scheduled as an additional trip on the corporate plane schedule, viewable on the Authority's intranet, so that the Authority's pilots and other users are aware of it. -In this way, available seats might be filled with other travelers.

~~3.9.73.9.5~~ If there is a concern over the possibility of an emergency need for the corporate airplane, the charter plane may be kept reserved until 24 hours before the trip and then released. -If the corporate airplane becomes available by the close of business on the day before the scheduled trip, it should be the preferred aircraft, replacing the charter.

~~3.9.83.9.6~~ Charters usually have cancellation penalty clauses that are substantial. -Any arrangements must include the business group representative's agreement to pay the cancellation fees which may be imposed.

3.10 Meetings/Seminars/Training Sessions

3.10.1 NYPA-Authority events such as meetings, seminars, and training sessions that are held out of the office must be booked-reviewed



~~through by the Travel Desk. Coordinators who will make every effort to meet reasonable requirements for those occasions.~~

~~3.10.1~~

~~All hotel accommodations must be booked for these events through Employees should send written requirements to the CTD Travel Desk. To ensure rate policy compliance contact for changes, additions, or emergencies, the location and phone number of a designated group representative should be provided. Employees should send written proposals to the Travel Desk in a timely fashion for review and scheduling. Only hotel rooms and meeting facilities will be reviewed and booked by Travel Desk personnel. Food requirements, meeting set-up, etc. are the responsibility of the respective Business Unit.~~

~~3.10.1~~ Plans for group business luncheons or dinners for 50 people or less, may be made by the appointed person from within the Business Unit or department sponsoring the event. The cost of all such luncheons or dinners must be kept within the limits of the reimbursement policy covering Off Premises Meals.

3.10.2 Events estimated to exceed \$15,000 will be submitted to Procurement for advertising in the Contract Reporter. Procurement will issue a bidding document to interested parties. Travel Desk staff and the requesting group's representative(s) will review the bids and select the most appropriate and cost-effective provider.

~~3.10.2~~ Events in the \$5,000 to \$14,999 range will be researched by the Travel Desk staff who will recommend a vendor to Procurement for contract execution.

~~3.10.23.10.3~~ When the cost and details of the conference room(s), refreshments, and other amenities from the hotel, restaurant or conference center have been agreed upon, the designated business group representative should sign the contract from the vendor. After the event, the requestor is responsible for reviewing, entering budget codes and sending the subsequent bill for services in a timely manner to Accounts Payable for issuance of the payment.

~~3.10.33.10.4~~ Outside meeting arrangements generally include cancellation clauses. Please note that any arrangement must include the requesting business group representative's agreement to pay any cancellation fees involved.

~~3.10.4~~ Individual departments and/or Business Units (BU) are expected to use good business sense when making such arrangements. In the

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~~circumstance where Travel Desk personnel were not consulted, then the person signing off on the expenses will be held accountable.~~

3.11 Cancellation/Revisions

3.11.1 The Travel Coordinator should be immediately advised of any cancellations – air, hotel, car, etc. -Failure to do so could result in penalties on airfares and no-show charges for hotels and cars. Please note that any Authority incurred avoidable charges will be billed to the business group's appropriate responsibility code/cost element if not properly cancelled.

3.11.2. ~~Subject to~~Except in emergency situations, any revisions to an employee's itinerary must be made by the ~~CTD~~Travel Desk. Charges for emergency measures must be supported by appropriate documentation from vendors ~~or other authorities~~.

~~3.11.2.~~

3.12 Contractor Travel

3.12.1 Contractors **must** make all travel arrangements through the Travel Desk. Travel arrangements made through outside travel agencies are only reimbursable in accordance with current Authority negotiated or government rates.

3.12.3 A complete Contractor Travel Profile form must be on file for each contractor prior to requesting travel services from the Travel Desk. The contractor's Authority manager will request Accounts Payable staff to assign an Authority Contractor Number for each contractor who will be traveling. The number is then added to the Contractor Travel Profile before it is forwarded to the Travel Desk.

3.12.4 All Contractor Travel requests must have the contractor's Authority manager's approval prior to submission to the Travel Desk.

3.12.5 The maximum amount of reimbursable airfare should not exceed the cost of round trip government airfare between the appropriate Authority facility and the location of the contractor's preapproved point of origin, unless otherwise authorized by the appropriate Authority Business Unit head or ~~other~~ authorities.designee.

3.12.6 The Travel Desk will issue itineraries for all travel arrangements made for contractors. A copy of these itineraries will be sent via email to the contractor and the appropriate Authority manager. A

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copy of a contractor's Authority travel itinerary and associated receipts, excluding meals, must be attached to vendor's invoice.

3.12.7 The Authority Meal Policy must be adhered to by contractors at all times. Meal expenses which do not conform to this policy are not reimbursable. Meals shall be paid on a per diem based on the schedule listed below. Meal receipts are not required.

3.12.8 The Authority's N.Y. State Sales Tax Exemption forms must always be used for hotel and car expenses incurred within New York State. Sales tax charged for these services within New York State are not reimbursable.

3.12.9 Contractors/consultants will use their personal credit cards for car rental transactions.

3.12.10 Additional fees, such as auto insurance, road side assistance on car rentals, will not be reimbursed. Upgrades to larger size or luxury vehicles are also not reimbursable. Miscellaneous expenses, such as tips, fees for use of hotel gym/ fitness rooms, medications, toiletries, snacks, magazines, newspapers, etc. are personal and will not be reimbursed.

3.12.11 The Travel Desk must be advised immediately of any cancellations. Failure to do so may result in penalties or no show charges which are not reimbursable.

3.12.12 Authority managers will review all contractor travel expense invoices to ensure compliance with this policy.

4.0 REFERENCES

- 4.1 CP 1-1 – Corporate Policy Program Administration
- 4.2 CAP 1.5 – Reimbursement of Employee Meal Costs
- 4.3 Corporate Flight Operations Manual

5.0 ATTACHMENTS

- 5.1 Power Business Travel Invoice
- 5.2 NYS Sales Tax Exemption Certificate
- 5.3 NYS Hotel Tax Exemption Certificate



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President and Chief Executive Officer



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Attachment 5.1

NYPAPowerBusiness
TRAVEL

SALES PERSON: 95 ITINERARY/INVOICE NO. 0008112 DATE: 29 OCT 04
CUSTOMER NBR: 0000171800 HMTZ02 PAGE: 01

TO: NY POWER AUTHORITY
123 MAIN ST 6280
WHITE PLAINS NY 10601
ATTN

FOR: REF:

02 NOV 04 - TUESDAY
AIR US AIRWAYS FLT:4079 COACH CLASS
OPERATED BY US AIRWAYS EXPRESS-PIEDMONT AIRLINES
LV NEW YORK LGA 600P EQP: DASH 8 TPROP
DEPART: USAIRWAYS LA GUARDIA TERM 01HR 49MIN
AR BUFFALO 749P NON-STOP
REF: CFTYNP
SEAT- 7D US-1439360
CAR BUFFALO BUDGET RENT A CAR INTER CAR AUTO A/C
PICK UP-1949
RETURN-03NOV/1915
RATE PLAN 1 DAYS 0 HRS USD MI/KM EX MI/KM
DAILY RATE 42.50 UNL
XTRA DAY- 42.50 UNL
XTRA HOUR- 14.18 UNL
MANDATORY CHARGES 5.53
APPROX RENTAL COST 48.03 UNL
CONFIRMATION NUMBER 06103994US1 RATE-GUARANTEED
CD-X909300 ID-HA681D
HOTEL BUFFALO OUT-03NOV
HOLIDAY INN 1 NIGHT
HOLIDAY INN NIAGARA FALLS 1 ROOM
231 THIRD ST RATE-89.00USD PER NIGHT
NIAGARA FALLS NY 14303 CANCEL BY 06P DAY OF ARRIVAL
PHONE 716-282-2211
FAX 716-282-2748
GUARANTEED LATE ARRIVAL
CONFIRMATION 65551388
03 NOV 04 - WEDNESDAY
AIR US AIRWAYS FLT:3998 COACH CLASS
OPERATED BY US AIRWAYS EXPRESS-PIEDMONT AIRLINES
LV BUFFALO 715P EQP: DASH 8 TPROP
AR NEW YORK LGA 900P 01HR 45MIN
ARRIVE: USAIRWAYS LA GUARDIA TERM NON-STOP
SEAT- 6C US-1439360 REF: CFTYNP

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ITINERARY



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Attachment 5.1 Continued

NYPA Power Business
TRAVEL

SALES PERSON: 95 ITINERARY/INVOICE NO. 0008112 DATE: 29 OCT 04
 CUSTOMER NBR: 0000171800 HMTZOZ PAGE: 02

TO: NY POWER AUTHORITY
 123 MAIN ST 628D
 WHITE PLAINS NY 10601
 ATTN :

FOR: REF: 12165

AIR TICKET	US1100908793	BILLED TO VISA	331.20*
ELEC TKT			
		SUB TOTAL	331.20
		NET CC BILLING	331.20*
		TOTAL AMOUNT DUE	0.00

TO CHANGE OR CANCEL RESERVATIONS
 PLEASE CALL POWER BUSINESS TRAVEL AT 914-287-3191
 DURING 8A-5P MON-FRI EXCEPT HOLIDAYS
 IF ITS AN EMERGENCY HIT ZERO POUND
 FOR AFTER HOURS *EMERGENCY ONLY* CALL 800-390-6474
 PLEASE BE SURE TO BRING POSITIVE PHOTO IDENTIFICATION
 IF YOU DO **NOT** USE ANY PART OF YOUR ETKT YOU MUST
 NOTIFY THE TRAVEL DESK TO PROCESS A REFUND
 FOR THE UNUSED PORTIONS OF YOUR TICKET
 YOUR RECORD LOCATOR FOR THIS RESERVATION IS *CFTYNP



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Attachment 5.2

For use only by Representatives or Employees of Departments or Agencies of the State of New York

TO: **NEW YORK STATE SALES TAX BUREAU**

#131850882
EXEMPTION CERTIFICATE
TAXES IMPOSED PURSUANT TO
ARTICLES 28 AND 29 OF THE TAX LAW

NAME OF PERSON OR FIRM FURNISHING SERVICES _____ DATE _____ 20____
ADDRESS _____

This is to certify that I, the undersigned, am a representative or employee of the New York State Department or Agency indicated below; that the charges for the transaction on the date set forth below have been or will be paid for by such department or agency; and that such charges are incurred in the performance of my official duties as such representative or employee.

NATURE OF TRANSACTIONS _____

DATES OF TRANSACTIONS _____

SIGNATURE OF REPRESENTATIVE OR EMPLOYEE

NEW YORK STATE DEPT. OR AGENCY NEW YORK POWER AUTHORITY

TITLE

NOTE: A separate exemption certificate is required for each transaction and from each person claiming exemption



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Attachment 5.3

TAX EXEMPT ID# 131850882



New York State Department of Taxation and Finance

Exemption Certificate

Tax on occupancy of hotel rooms

ST-129
(10/00)

This form may only be used by government employees of the United States, New York State, or political subdivisions of New York State.

Name of hotel, motel, lodging house, etc.		Dates of occupancy	
		From: / /	To: / /
Number and street	City, village, or post office	State	ZIP code
			Country
<p><i>This is to certify that I, the undersigned, am a representative of the department, agency, or instrumentality of New York State, the United States government, or the political subdivision of New York State indicated below; that the charges for the occupancy at the above establishment on the dates listed have been or will be paid for by that governmental entity; and that these charges are incurred in the performance of my official duties as a representative or employee of that governmental entity.</i></p>			
Governmental entity (federal, state, or local)		Agency, department, or division	
New York Power Authority			
Employee name (print or type)	Employee title	Employee signature	Date
			/ /

Instructions for the government representative or employee

If you are on official New York State or federal government business and staying in a hotel or motel:

1. Complete all information requested in the box above.
2. Sign and date this exemption certificate in the box above.
3. Show the operator of the hotel or motel your appropriate and satisfactory identification.
4. Give this completed Form ST-129 to the operator of the establishment.

You may pay your hotel bill with cash, with a personal check or personal credit card, with a government voucher, or with a government credit card.

Please note:

- If, while on official business, you stay at more than one location, you must complete an exemption certificate for each establishment.
- If you are in a group traveling on official business and staying in this particular hotel, each person must complete a separate exemption certificate and give it to the hotel operator.

Caution: Willfully issuing a false or fraudulent certificate with the intent to evade tax is a misdemeanor under section 1817(m) of the Tax Law and section 210.45 of the Penal Law, punishable by a fine of up to \$10,000.

Instructions for the operator of the hotel or motel

Keep this completed Form ST-129, *Exemption Certificate*, as evidence of exempt occupancy by New York State and federal government employees who are on official business and staying at your establishment. You must keep this exemption certificate for at least three years after the later of: 1) the due date of the last sales tax return to which this exemption certificate applies; or 2) the date when you filed the return.

This exemption certificate is valid if the government employee is paying with:

- Cash.
- A personal check or personal credit card.
- A government voucher.
- A government credit card.

Do not accept this certificate unless the representative or employee presenting it shows appropriate and satisfactory identification.

New York Power Authority Corporate Accounting Policy Subject: American Express Corporate Card System	CAP: 1.7
	Date: 7-12-95
	Revision: 0

IMPLEMENTATION BY: BUSINESS UNIT HEADS AND REGIONAL MANAGERS

1.0 SCOPE

This policy provides for utilization of the American Express Corporate Card System for the purposes of expeditious reimbursement of business related travel expenses and provision of systematic accountability and control.

2.0 IMPLEMENTATION

The staff of all Authority Business Units and Departments shall adhere to this policy. Implementing procedures shall be prepared as necessary to provide appropriate guidance in meeting the management controls described.

3.0 MANAGEMENT CONTROLS

3.1 General

The New York Power Authority will provide the American Express Corporate Card to its staff who must travel on Authority business to facilitate bookings, reservations, arrangements, registrations, payments etc., and to reduce the need for cash advances and direct checks. Employees who decline the issuance of the Corporate Card will still be expected to travel as needed to perform their job duties, and will be responsible for having personal means available to pay for travel or other business related expenses.

3.1.1 Business travel will be controlled on a decentralized basis using the Corporate Card, with overall direction from the Business Services Unit.

3.1.2 The Corporate Card is expected to be used for travel and business related expenses, and receipts saving for attachment to expense statements to provide proper documentation and support.

3.2 Definitions

3.2.1 Corporate Card refers to the American Express Corporate Card issued pursuant to the Authority's agreement with American Express.

New York Power Authority Corporate Accounting Policy Subject: American Express Corporate Card System	CAP: 1.7
	Date: 7-12-95
	Revision: 0

3.3 Responsibilities

- 3.3.1 The Director of Corporate Support Service is responsible for developing, implementing, and revising Authority policies and procedures for the overall administration of the American Express Corporate Card System.
- 3.3.2 Under the direction of the Controller, Accounting staff are responsible for developing appropriate accounting procedures and financial controls which provide for the implementation and continued operation of the American Express Corporate Card System.
- 3.3.3 The Internal Audit Division will periodically conduct audits of the American Express Corporate Card System to determine compliance by responsible organizations and staff with established policies and procedures.
- 3.3.4 Major Authority card member responsibilities include:
- (a) Compliance with all Authority – established American Express Corporate Card System and other travel and business related policies and procedures, including compliance with the procedures enumerated in the Authority’s Card member “Charge Card Information and Procedures” and “Agreement”.
 - (b) The American Express Corporate Card System is expected to be used for all travel and business related expenses.
 - (c) The Authority will only provide up to a \$100.00 cash advance per trip to cover miscellaneous out-of-pocket expenses (e.g. taxis, fast food meals, tolls, etc.).
 - (d) Card members will be billed directly by American Express each month and are expected to pay promptly.
 - (e) Extended payment plan or installment type charges are not permitted under the American Express Corporate Card System.

New York Power Authority	CAP: 1.7
Corporate Accounting Policy	Date: 7-12-95
Subject: American Express Corporate Card System	Revision: 0

- (f) Card members must sign an employee agreement (American Express Charge Card Procedures and Agreement) with the Authority in order to obtain the American Express Corporate Card.
- (g) Employees who elect not to receive an American Express Corporate Card will be expected to travel as needed to perform their job duties and will be responsible for having personal funds (e.g., personal credit cards, etc.) available to pay for travel or other business related expenses.

PLEASE REFER TO THE PORTION OF THE EMPLOYEE POLICIES ENTITLED DISCLAIMERS WHERE YOU WILL FIND A STATEMENT WHICH PERTAINS TO ALL EMPLOYEE POLICIES, INCLUDING THIS ONE.

Exhibit "2d-3"**RECRUITMENT AND JOB POSTING**

- 1.1 ~~1.1~~—The New York Power Authority considers all internal (with the exception of current members of the Board of Trustees) and external applicants for employment, in accordance with all applicable Federal, State and local laws governing non-discrimination in employment in every location in which it maintains offices or facilities. The Authority also provides reasonable accommodation to individuals with a disability in accordance with applicable law.
- 1.2 ~~In addition to not being considered by the New York Power Authority, current All members of the Board of Trustees are prohibited from seeking to obtain paid employment at NYPA while serving on the Board of Trustees. All trustees shall sign a certification acknowledging their understanding and commitment to follow this requirement.~~
- 1.3~~2~~ Offers of employment are contingent upon successful completion of pre-employment requirements, which include a comprehensive background investigation for all potential new hires and possible other candidate screening (i.e., aptitude test, drug screening, etc.) as the Authority deems appropriate.
- 1.4 Within three business days of employment, new employees must prove identity and eligibility to work in the United States by providing original documents established as criteria by the Immigration and Reform Control Act to their HR representative. If an employee is unable to present the required documents within the 3 business days, they may not work or continue rendering services to the Authority.

Job Postings

- 2.1 The goal of the job posting policy is to ensure that employees are made aware of and have the opportunity to apply for open Full-time, Part-time and Provisional salaried positions either before or concurrent with the Authority's consideration of external candidates for employment. However, there may be ~~conditions that would result in a decision~~exceptions to bypass the posting process, for example, if ~~an~~ a qualified internal candidate or temporary employee from the hiring department or Business Unit has been identified. Under such circumstances, authorization must be obtained in writing from the Senior Vice President of Corporate Support Services or his/her designee, and the President and CEO.
- 2.2 The job posting program makes information available to Authority employees, regarding Full-time, Part-time and Provisional salaried openings throughout the organization, including the requirements for each job.
- 2.3 To be eligible to apply for a posted position an applicant must:

- a) Meet the ~~minimum~~ position requirements and qualifications stated in the posting;
 - b) Be capable of performing the essential functions of the job, with or without reasonable accommodation;
 - c) Have a job performance that is acceptable within the guidelines of the Authority's prevailing performance management system;
 - d) Have been in their current position for at least 12 months.
- 2.4 Salaried vacancies below the senior management level are generally posted on the *Powernet* and the Authority's website (www.nypa.gov). ~~Exceptions may be made at the discretion of the Human Resources Department Head, or if an~~ www.nypa.gov). If a qualified internal candidate or temporary employee from the hiring department or Business Unit has been identified, an exception may be made with the approval of the Senior Vice President of Corporate Support Services, or his/her designee, and the President and CEO.
- 2.5 Salaried positions covered under this policy, which are not expected to be filled within the work group, department or Business Unit, will be posted on the *Powernet* and the Authority's website for at least ten working days, however, external recruitment efforts may commence simultaneous with the posting.

Internal Job Application Process

- 3.1 During the posting period, interested employees can apply via the *Powernet*.
- 3.2 If an employee interviews for a position at another NYPA location, he/she may be eligible for reimbursement for travel related expenses. If offered, and the employee accepts the position, he/she may be eligible for reimbursement of certain relocation costs. Employees should discuss these issues and options with their HR representative during the interview process.
- 3.3 Employees are ~~required~~encouraged to notify their supervisor when they are selected for an interview. However, employees are not ~~required~~expected to disclose that they are applying for a position if they are not selected for an interview. Employees being considered for a position should expect hiring managers to request and review performance information and evaluations while making a hiring decision and consult with an internal applicant's current supervisor.
- 3.4 Applying for an internal position does not guarantee an interview. Hiring managers will strive to interview those with the experience and qualifications that most closely match the requirements of the position. Internal candidates who are not selected will be notified.
- 3.5 Position transfer dates are determined in consultation with current supervisors. The business unit heads along with the managers of both the vacating and receiving departments must agree on a transfer date to ensure that such transfer occurs within four

weeks after an offer has been accepted. The status of current work assignments and available back-up resources will be taken into consideration when determining the transfer date.

- 3.6 All changes in pay will be consistent with the guidelines established by the Compensation Program. The salary offered for the new position will be determined primarily based on the employee's qualifications for the new position and internal equity within the department or work group. Employees may choose to accept or decline offers without negative repercussions in their current position.
- 3.7 Special conditions may arise when an exception to this policy is appropriate. Under such circumstances, authorization must be obtained from the Human Resources Department Head/Senior Vice President of Corporate Support Services or his/her designee.

Employment of Employee Relatives

4.1 Disclosure of relationships required as follows:

- a) Individuals seeking employment with the Authority must inform the Authority's HR Representative, in writing, if they have a relative (as that term is defined below in 4.32) currently working at the Authority when applying for employment. The applicant must disclose the name of the relative, the familial relationship, title or position held by the employee, as well as the site or location at which the relative works.
- b) Employees must inform their supervisor and the Vice President and Chief Ethics & Compliance Officer when a relative (as that term is defined below in 4.32)- is transferred, demoted or promoted to a position where either the relative or the employee will have personnel decision related responsibilities, or supervisory responsibilities over their relative. The employee must disclose the name of the relative, the familial relationship, title and position held by the employee, as well as the site or location at which the relative works.
- c) Employees must inform their supervisor and the Vice President and Chief Ethics & Compliance Officer when another employee becomes their relative (as that term is defined below in 4.3) and where either person will have personnel decision related responsibilities, or supervisory responsibilities over the other person. In such instances, both employees must disclose the name of the relative, the familial relationship, title and position, as well as the site or location at which they work.

4.2 Employees and trustees may not take part in any hiring or employment decision relating to their relatives. The term "employee relative" shall mean any person living Relatives of active employees or trustees will not be employed on a permanent or temporary basis unless authorization is approved by the Senior Vice President of Corporate Support Services, or his/her designee, and the President and CEO. Such authorization may be granted under circumstances where the candidate is the most qualified for the position. The circumstances for which an authorization is sought must be in writing.

~~4.14.3 For purposes of this Policy, the term “relatives” refers to spouse, domestic partner, parents, children, sisters, brothers, sisters-in-law, brothers-in-law, parents-in-law, sons/daughters-in-law, aunts, uncles, nieces, nephews, **cousins**, and grandparents by blood relationship or by marriage or family members residing in the same household as the employee, officer or trustee and any person who is a direct descendant of that individual’s grandparents or the spouse of such descendant. If a hiring or employment matter arises relating to an employee’s relative, 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.~~

~~4.24.4 The Authority will not consider employment applications, promotions or transfers for individuals whose employment, promotion or transfer would result in a supervisory relationship between them and a relative (as defined in 4.132); or one where a conflict of interest may exist or later arise. **Although there may be exceptions to these guidelines, the Authority will discourage these working relationships between relatives. Any exceptions to this section require the authorization of the Human Resources Department Head, or their designee, on a case-by-case basis and will include a review of various considerations, including, but not limited to the Authority’s business needs, succession planning initiatives, and the nature of the relationship between the affected Authority employee and the applicant for employment, promotion or transfer. Exceptions to these guidelines require authorization of the Senior Vice President of Corporate Support Services, or his/her designee, as well as the Vice President and Chief Ethics & Compliance Officer. Any such request must be in writing.**~~

~~4.5 If current employees become relatives after starting employment with the Authority, then such relatives must not be in a direct line of supervision or have any personnel related responsibilities that could affect each other. **In the event this occurs, the Authority may transfer the employee or take any other employment action necessary to eliminate the conflict of interest. Any questions concerning such change in status should be directed to the Authority’s Vice President and Chief Ethics & Compliance Officer.**~~

Prohibition Against Consideration of Politics in Employment

- 5.1 The Authority expressly prohibits employees involved in recruiting, interviewing or hiring or making promotional, disciplinary or other employment decisions relating to NYPA employees, from asking any such applicant or employee to reveal: (a) the political party affiliation of the applicant; (b) whether the applicant has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the candidate voted for any elected official or candidate for elective office.
- 5.2 The provisions of paragraph 5.1 shall not apply to circumstances where such inquiry is necessary for the proper application of State law or approved state authority or New York State public authority rules, policies or practices (e.g., inquiring about party affiliation where State law limits the number of members of a State board who can be from the same party).

Penalties

- 6.1 Any employee who knowingly violates the provisions of ~~sections 4.1 or 5.1~~ this Policy ~~may~~will be subject to appropriate disciplinary action up to and including termination.

Vice President, Human Resources

Date



SUBJECT: BUSINESS RELATED CONTRIBUTIONS

1.0 SCOPE

The Authority has a significant role in providing electric energy in New York State. As a consequence of the Authority having extensive facilities and activities throughout the State, NYPA may participate in organizations and events related to the Authority’s statutory power, duty or purpose. This participation may include memberships and attending events associated with electric industry organizations as well as chambers of commerce, business groups and associations that promote NYPA, energy efficiency products and services, economic development within New York State, supplier and workforce diversity, and other business needs of the Authority. When the cost of this participation includes both a business and a fundraising component, these expenses are deemed contributory, and are subject to this policy. Examples of expenditures subject to the policy include memberships with embedded benefits such as tickets to banquets, sponsorship of events, journal ads, website acknowledgement, etc.; the cost of dinners and luncheons that exceed the value of the meal served; exhibitor fees that exceed the rental, utilities, setup and takedown cost of the space utilized; any journal ads, placards, signage, or internet acknowledgement; payment for goods or services that benefit non-NYPA attendees; any other payment that could be considered in part a contribution.

Direct financial support in the form of contributions and sponsorships for not-for-profit entity programs is governed by Corporate Policy 11-1. Contributions are defined as general donations to a municipal, state or not-for-profit entity (the donation may be targeted or untargeted). Sponsorships are payments to an organization that will identify NYPA as an official sponsor in advertising and promotions.

This Policy provides the rules governing NYPA business expenditures with a contributory component and procedures assuring proper allocation and use of the Authority’s resources. This Policy does not address activities undertaken in conjunction with the licensing and construction of generating and/or transmission facilities or activities that are otherwise provided for by law.

Under this Policy, the following is not permitted:

- payments to religious, private-for-profit and political organizations;
- payments and services provided solely to foster goodwill for the Authority and the well-being of a community;
- payments associated with honoring a NYPA employee, ex-NYPA employee, public official, etc.



2.0 IMPLEMENTATION

All Authority officers and employees shall adhere to this Policy. Further implementing procedures may be prepared as necessary to provide appropriate guidance in meeting the management controls described. Recommendations for changes to this Policy or a new corporate policy shall be processed in accordance with CP1-1 "Corporate Policy Program Administration".

3.0 DISCLOSURE OF CONFLICT OF INTEREST

3.1 All Authority officers and employees who are affiliated with the payee shall abstain from any involvement in the process outlined in this Policy. Officers and employees assigned by NYPA to represent NYPA in the payee's organization may be exempt from this provision of the Policy if it is deemed a conflict of interest does not exist

3.2 The NYPA requester of the expenditure must indicate any known association of NYPA employees with the payee.

4.0 MANAGEMENT CONTROLS

4.1 Responsibilities

The Executive Vice President and Chief Financial Officer, or his or her designee, will be responsible for the implementation and maintenance of this Policy and for recommending additional policies and procedures to implement it. The Policy shall apply to all Authority departments, business groups, business units and other functional areas of the Authority.

4.2 Procedures

4.2.1 Funding and Authorization Requests

- a) NYPA departments must request funding and authorization for all business expenditures with a contributory component as set forth in Section 4.2.2.
- b) The requester must complete the Business Related Contribution Request Form (Appendix A).
- c) The form must be signed by the requesting Business Unit Head, and submitted to the Budget Division to initiate the review and approval process.

4.2.2 Management Approval and Oversight

- a) All support applications must be reviewed by the Budget Director, or his or her designee, for completeness in accordance with this Policy. In addition, once having determined an application complete, the Budget Director, or his or her designee, shall forward the request to Senior Vice President - Public and Governmental Affairs, or his or her designee, and the Law Department for review.
- b) The Senior Vice President - Public and Governmental Affairs, or his or her designee, will forward his or her recommendation concerning the request to the Budget Division.
- c) A representative of the Authority's Law Department will verify whether the request falls with the scope of this policy (Section 1.0), review issues related to conflict of interest (Section 3.1) and provide his or her conclusion in writing to the Budget Division. The response is not expected to address the business merit of the request.
- d) The Budget Division will submit the request to the President and CEO, or person acting in such capacity, with the submitted forms, recommendations and documentation.
- e) All requests are to be approved or denied by the President and CEO, or person acting in such capacity.
- f) To the extent feasible, such requests should be anticipated and submitted during the annual budget process, and are also subject to Budget Division deadlines and requirements.
- g) Each payment is to be charged only to the Cost Elements and WBS Codes approved by the Budget Division. The authorized codes appear on the drop down menu of the Funding Request Form.

5.0 REFERENCES

- 5.1 CP 1-1 Corporate Policy Program Administration

President and Chief Executive Officer

LIST ANY NYPA EMPLOYEES ASSOCIATED WITH THE RECIPIENT

NAME OF NYPA EMPLOYEE

ASSOCIATION

_____	_____
_____	_____
_____	_____
_____	_____

REQUESTER

Business Unit Head Signature

Date

APPROVAL

President and CEO Signature

Date

Exhibit “2d-5”

SUBJECT: CONTRIBUTIONS AND SPONSORSHIPS

SCOPE

The Authority has a significant role in providing electric energy in New York State. As a consequence of the Authority having extensive facilities and activities throughout the State, various organizations approach the Authority seeking financial support for their programs. The Authority’s ability to make a financial contribution or undertake a sponsorship is limited to those requests which directly relate to a power, duty or purpose of the Authority as expressed in the Authority’s enabling legislation, the Power Authority Act, which is interpreted by the courts of the state and subject to the state’s oversight authorities. Such support may take the form of a sponsorship or a financial contribution to not-for-profit organizations and state and local governmental units which conduct activities in the categories outlined below and which relate to the Authority’s statutory powers, duties or purposes. This Policy provides rules governing Authority financial support and procedures assuring proper allocation and use of the Authority’s resources. This Policy does not address activities undertaken in conjunction with the licensing and construction of generating and/or transmission facilities or activities that are otherwise provided for by law.

In general and for illustrative purposes, Authority support may be provided for projects, programs and activities in the following five major categories:

- Economic Development – to study means of attracting and expanding industry in New York state
- Energy Services – to advance and promote the development and implementation of new energy technologies and services
- Emergency Services – such as first responders, including but not limited to, rescue squads, hospitals, police and fire departments that benefit and support Authority Projects
- Community, Local and State Government –where there is a direct nexus to the Authority’s powers, duties or purposes to generate, transmit energy and provide energy-related projects, programs and services in a safe and reliable manner for the benefit of our customers and all New Yorkers
- State Assistance – such as departments responsible for energy and environmental research, parks and agriculture

Religious, private-for-profit and political organizations are not eligible for support. Payments and services provided solely to foster goodwill for the Authority and the well-being of a community are not permitted.

1.0 IMPLEMENTATION

All Authority officers and employees shall adhere to this Policy. Further implementing procedures may be prepared as necessary to provide appropriate guidance in meeting the management controls described. Recommendations for changes to this Policy or a new corporate policy shall be processed in accordance with CP1-1 "Corporate Policy Program Administration".

2.0 DISCLOSURE OF CONFLICT OF INTEREST

2.1 Requesting Organization

The Authority requires the reporting of any conflicts of interest in conjunction with all applications. Requesting Organizations must disclose on the application form any Authority Trustees, officers and/or employees that are affiliated with their organizations.

2.2 Authority Officers and Employees

All Authority officers and employees who are affiliated with the Requesting Organization shall abstain from any involvement in the process outlined in this Policy.

3.0 MANAGEMENT CONTROLS

3.1 Responsibilities

The Senior Vice President – Public and Governmental Affairs, or his or her designee, will be responsible for the implementation and maintenance of this Policy and for recommending additional policies and procedures to implement it. The Policy shall apply to all Authority departments, business groups, business units and other functional areas of the Authority.

3.2 Procedures

3.2.1 Support Application and Certification

- a) Except as set forth in Section 4.2.1(b), Requesting Organizations must complete the Support Application Form A (Appendix A) including the required certification set forth in the form. This form is available on the Authority's Web Site (www.nypa.gov). An application that does not contain the information required in the Support Application Form A will be deemed incomplete and the requesting organization will be advised as such.

- b) Requesting Organizations seeking \$2500 or less in support and that are engaged in Emergency Services (as defined in Section 1.0) that benefit and support Authority Projects must complete the Support Application Form B (Appendix B) including the certification set forth in that form to be considered for support.

3.2.2 Management Approval and Oversight

- a) All support applications must be reviewed by the Senior Vice President - Public and Governmental Affairs, or his or her designee, for completeness in accordance with this Policy. In addition, once having determined an application complete, the Senior Vice President - Public and Governmental Affairs, or his or her designee, shall recommend in writing the approval or denial of the application.
- b) If the Senior Vice President - Public and Governmental Affairs, or his or her designee, recommends that an application be approved and an award be made, then a representative of the Authority's Law Department shall review the application for compliance with this Policy and provide his or her conclusion in writing
- c) The Executive Vice President and Chief Financial Officer or his or her designee shall review the application to determine whether the request is in the budget and/or if there are sufficient funds in the budget for the award.
- d) All support awards are to be approved or denied by the President and CEO, or person acting in such capacity.
- e) All Support Application Forms received by the Authority will be reviewed on a quarterly basis in accordance with Section 4.2.2(a) above.
- f) Requesting Organizations must submit Support Application Forms to the Authority no later than March 15th, June 15th, September 15th or December 15th for consideration during the next quarter.
- g) A Funding Request Form (Appendix C) must be completed by the Senior Vice President – Public and Governmental

Affairs, in accordance with Section 4.2.2(a) for all qualified applicants seeking support awards and submitted to the President and CEO or person acting in such capacity. The President and CEO or person acting in such capacity will make the final determination as to whether such request for approval will be granted or denied.

- i) The following information must be provided on the form: support amount, account codes, recipient information and review and approval signatures.
- ii) Each support payment is to be charged only to the Cost Elements and WBS Codes approved by the Budget Division. The authorized codes appear on the drop down menu of the Funding Request Form.

3.2.3 Reports

- a) Except as set forth in Section 4.2.1(b), organizations requesting support must submit an accounting report on the form provided by the Authority (See Support Application Accounting Report attached hereto) and such organizations must acknowledge that the reports submitted are subject to audit by the Authority.
- b) A member of the Authority business unit which initiated the support application must independently confirm that the financial contribution was in fact used by the applicant for the purpose(s) stated in the application. Verification may be made in any manner sufficient to confirm the appropriate use of Authority funds, including without limitation attendance at events, inspection of purchased equipment or materials. A written memorandum to that effect shall be placed in the file for the application.

4.0 RESTRICTIONS

- 4.1 Corporate credit cards of any type may not be used for any support payments associated with this Policy.
- 4.2 All support payments are to be made only to the Requesting Organization and Authority payments to third-party vendors of that organization are prohibited.



5.0 REFERENCES

- 5.1 CP 1-1 Corporate Policy Program Administration
- 5.2 Attorney General Formal Opinion No. 2007-F4

President and Chief Executive Officer

New York Power Authority

Support Program

Application

INTRODUCTION

The Authority has a significant role in providing electric energy in New York State. As a consequence of the Authority having extensive facilities and activities throughout the State, various organizations approach the Authority seeking financial support for their programs. The Authority's ability to make a financial contribution or undertake a sponsorship is limited to those requests which directly relate to a power, duty or purpose of the Authority as expressed in the Authority's enabling legislation, the Power Authority Act, which is interpreted by the courts of the state and subject to the state's oversight authorities. Such support may take the form of a sponsorship or a financial contribution to not-for-profit organizations and state and local governmental units which conduct activities in the categories outlined below and which relate to the Authority's statutory powers, duties or purposes. This Policy provides rules governing Authority financial support and procedures assuring proper allocation and use of the Authority's resources. This Policy does not address activities undertaken in conjunction with the licensing and construction of generating and/or transmission facilities or activities that are otherwise provided for by law.

In general and for illustrative purposes, Authority support may be provided for projects, programs and activities in the following five major categories:

- Economic Development – to study means of attracting and expanding industry in New York state Energy Services – to advance and promote the development and implementation of new energy technologies and services
- Emergency Services – such as first responders, including but not limited to, rescue squads, hospitals, police and fire departments that benefit and support Authority Projects
- Community, Local and State Government –where there is a direct nexus to the Authority's powers, duties or purposes to generate, transmit energy and provide energy-related projects, programs and services in a safe and reliable manner for the benefit of our customers and all New Yorkers
- State Assistance – such as departments responsible for energy and environmental research, parks and agriculture

Religious, private-for-profit and political organizations are not eligible for support. Payments and services provided solely to foster goodwill for the Authority and the well-being of a community are not permitted.

**NEW YORK POWER AUTHORITY
SUPPORT APPLICATION
ACCOUNTING REPORT**

Organization _____

Support Time Period _____

INCOME

<u>Source</u> <i>Support</i>	<u>Amount</u>
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
Total Income	\$ _____

EXPENSES

<u>Item</u> (Please be specific and add lines as needed including payees)	<u>Amount</u>
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____
7. _____	\$ _____
8. _____	\$ _____
9. _____	\$ _____
10. _____	\$ _____
11. _____	\$ _____
12. _____	\$ _____
13. _____	\$ _____
14. _____	\$ _____
15. _____	\$ _____
Total Expenses	\$ _____
Difference (Income Less Expenses)	\$ _____

By signing this report, I confirm that the funds were spent only for which the support was approved, and that all of the information contained herein is true and accurate.

Certification

I hereby certify and agree, on behalf of the organization making this request, that:

- A. Any funds awarded will be used solely for the purpose for which the grant was approved.
- B. A detailed report on the use of the funds (See Report form attached hereto) will be submitted to the Authority no later than 90 days after the organization's expenditure of the funds awarded, and such report is subject to audit by the Authority's Internal Audit Office.
- C. Any funds not used will be returned to the Authority no later than thirty days after the Authority requests the return of those funds.
- D. The information contained in the application and accompanying documents is true and complete in every respect.

*Signature of Authorized Representative _____

Name (type or print) _____ Title _____

Date _____

*The application must be signed by highest ranking representative of the organization or person acting in that capacity.

Certification

I hereby certify and agree, on behalf of the organization making this request, that:

- A. Any funds awarded will be used solely for the purpose for which the grant was approved.
- B. Any funds not used will be returned to the Authority no later than thirty days after the Authority requests the return of such funds.
- C. The information contained in the application and accompanying documents is true and complete in every respect.

*Signature of Authorized Representative _____

Name (type or print) _____ Title _____

Date _____

*The application must be signed by the highest ranking representative of the organization or person acting in that capacity.

**NEW YORK POWER AUTHORITY
FUNDING REQUEST FOR SUPPORT**

Cost Information

Cost Center:

Cost Element:

WBS Code:

Amount: _____

RECIPIENT INFORMATION

Please make check payable to: _____

Federal ID #: _____

Mail to: _____

Contact Person: _____ Phone: _____

Describe Type of Request: _____

(Include NYPA Program Supported): _____

Attachments:

Date of Request:

Reviewed & Recommended by: _____
SVP – Public and Governmental Affairs Date

Reviewed by: _____
Law Department Representative Date

Reviewed by: _____ - Date _____ -
EVP & Chief Financial Officer

Support Application: _____ Approved _____ Denied

Approval Signature: _____ (Date)
President & CEO

Support Application: _____ Approved _____ Denied

Approval Signature: _____ (Date)
President and Chief Executive Officer



SUBJECT: ETHICS AND COMPLIANCE PROGRAM

1.0 SCOPE

The New York Power Authority (Authority) is committed to complying with all applicable legal, regulatory and other mandatory standards and maintaining the highest level of ethical conduct of its Trustees, officers and employees. The purpose of this Policy is to establish the Authority’s Ethics and Compliance Program to provide independent oversight of corporate adherence with all applicable legal, regulatory and other mandatory standards and to promote a culture of integrity and compliance consistent with the Authority’s mission and business objectives. This Policy is an integral component of the Authority’s Ethics and Compliance Program.

2.0 IMPLEMENTATION

This Policy shall be adhered to by all Authority Trustees, officers and employees. Implementing procedures shall be prepared as necessary to provide appropriate guidance in meeting the management controls described herein. Recommendations for changes to this policy or a new corporate policy shall be processed in accordance with CP1-1 “Corporate Policy Program Administration” and be presented to the Governance Committee and Board of Trustees for approval.

3.0 MANAGEMENT CONTROLS

General

- 3.1** This Policy sets the direction and provides guidance for the assessment and monitoring of legal and regulatory compliance and appropriate ethical conduct.
- 3.2** All Trustees, officers and employees shall:
 - a) Comply with all applicable legal, regulatory and other mandatory standards and perform their Authority duties and responsibilities with integrity and in accordance with the NYS Public Officers Law and the Authority’s Code of Conduct;
 - b) Successfully complete all mandatory ethics and compliance training initiatives;



- c) Prepare and submit all mandatory ethics and compliance reports and other documents in an accurate and timely manner;
- d) Report any suspected violations of laws, regulations and other standards and any Whistleblowing Events as that term is defined in CP 1-7, “Anti-Retaliation Policy”;
- e) Cooperate fully in all internal and external investigations and maintain the confidentiality of information obtained during any investigations; and
- f) Maintain a work environment free from retaliation in accordance with CP 1-7, “Anti-Retaliation Policy”.

4.0 RESPONSIBILITIES

4.1 Board of Trustees

The Authority shall implement and maintain an ethics and compliance program under the oversight and governance of its Board of Trustees. As set forth in the Governance Committee Charter, the Governance Committee of the Board of Trustees will review the Code of Conduct and provide oversight and guidance to the Vice President and Chief Ethics & Compliance Officer relating to the Authority’s programs and policies designed to ensure compliance with applicable laws and regulations and employees’ ethical conduct.

4.2 President and Chief Executive Officer

The President and Chief Executive Officer and the Authority’s Executive Management Committee will create and manage a working environment that promotes ethical behavior, integrity and compliance with applicable laws, regulations and mandatory standards necessary for implementing and maintaining an effective Ethics and Compliance Program.

4.3 Office of Ethics and Compliance

The Office of Ethics and Compliance shall report to the Executive Vice President & General Counsel and the Governance Committee of the Board of Trustees. This office provides independent, objective oversight and monitoring of the Authority’s compliance with applicable laws, regulations and mandatory standards. The Office assists the Authority in achieving its mission and business objectives by evaluating and

enhancing the Authority's legal and regulatory compliance posture and communicating and applying the required standards of ethical conduct to the Authority's Trustees, officers and employees.

The Vice President and Chief Ethics & Compliance Officer will, among other duties and responsibilities:

- a) Develop and maintain the Authority's Code of Conduct and provide legal interpretations to the Trustees, officers and employees relating to the NYS Public Officers Law, ethics regulations and the NYS Joint Commission on Public Ethics Advisory Opinions.
- b) Prepare and administer ethics and compliance training initiatives and Code of Conduct certifications to the Trustees, officers and employees.
- c) Evaluate and monitor the Authority's compliance with applicable laws, regulations and mandatory standards and review and recommend modifications to the Authority's policies and procedures to ensure compliance.
- d) Collaborate with the Law Department and the Authority's officers and employees to ensure compliance with applicable laws, regulations and mandatory standards, including the North American Electric Reliability Corporation's Reliability Standards and the Federal Energy Regulatory Commission's Standards of Conduct and Anti-Market Manipulation Rules.
- e) Maintain a centralized inventory of mandatory compliance reports and training applicable to the Authority and its Trustees, officers and employees.
- f) Manage the Authority's Employee Concerns Hotline – **(1-877-TEL-NYPA)** in collaboration with the Law Department.
- g) Receive, review and coordinate the investigation of allegations of violations of the Authority's Code of Conduct, the Public Officers Law, and legal and regulatory standards involving the Authority's assets, business partners, Trustees, officers and employees in accordance with CP 1-7, "Anti-Retaliation Policy".
- h) Collaborate with other business units on investigations when appropriate, and refer employee disciplinary matters resulting

from substantiated violations to the Human Resources Department and/or Labor Relations.

- i) Serve as the Authority's liaison with the NYS Joint Commission on Public Ethics and NYS Office of the Inspector General on issues within those agencies' jurisdiction and which affect the Authority and its Trustees, officers and employees.
- j) Review reports prepared by the Internal Audit Department and the Authority's Risk Profile approved by the Executive Risk Management Committee for compliance with ethical, legal and regulatory standards.
- k) Prepare and provide ethics and compliance reports to the Governance Committee of the Board of Trustees and the Executive Management Committee.

5.0 VIOLATIONS

Violations of this Policy and related codes, policies and procedures by the Authority's Trustees, officers and employees may result in disciplinary action, up to and including termination of employment.

6.0 REFERENCES

- 6.1** CP 1-1 Corporate Policy Program Administration
- 6.2** CP 1-7 Anti-Retaliation Policy
- 6.3** Code of Conduct
- 6.4** Governance Committee Charter
- 6.5** NYS Joint Commission on Public Ethics Advisory Opinions
- 6.6** NYS Public Officers Law

President and Chief Executive Officer

NEW YORK POWER AUTHORITY

CODE OF CONDUCT

I. STANDARDS OF CONDUCT

New York Power Authority employees, officers and trustees shall perform their duties with integrity and:

1. Refrain from engaging in outside activities, including other employment and financial interests, which could impair their independence of judgment or prevent the proper exercise of their official NYPA duties. All outside employment and publicly elected positions held or being sought must be reported to your supervisor, department or business unit head and the Office of Ethics and Compliance Office for evaluation to ensure the absence of conflicts of interest. Individuals serving in "policy-making" positions must also obtain the approval of the NYS Joint Commission on Public Ethics Integrity.
+
2. Conduct themselves at all times in a manner that avoids any appearance of or situation where they could be either improperly influenced, give or be given preferential treatment to or by any person or entity or act in violation of the public trust. This includes the requirement to (i) disclose any and all possible professional and personal conflicts of interest to your supervisor, department or business unit head and the Office of Ethics and Compliance, and your subsequent recusal from engaging in any NYPA business activity where the conflict appears or exists; and (ii) refrain from seeking or accepting a monetary loan from any employee under one's direct or indirect supervisory authority, or providing a monetary loan to your immediate supervisor and anyone to whom that individual reports, up to and including the Board of Trustees.
3. Not use or attempt to use their official position to secure unwarranted privileges for themselves, their relatives or any other party, including contracts and employment with NYPA.
4. Not participate in any decision or process to hire, promote, discharge, discipline or supervise a relative. (See Employee Policy 1.2 "Recruitment and Job Posting")
5. Not endorse the products or services of other entities or individuals as a representative of NYPA, including appearing in publications advertising, endorsing or selling products or services of third parties.

6. Not engage in any NYPA transaction or work assignment (including contract development, solicitation, evaluations, awards) involving another business in which they or a relative have a direct or indirect financial interest. This provision does not apply to ownership of shares of stock commonly owned in a mutual fund. It does include personally owned and directed stock of any corporation traded on a recognized stock exchange, where there is an ownership interest greater than or equal to 10% in the corporation.
7. Not supply NYPA with any goods and/or services (individually or through another business entity) except in the performance of their official position. Relatives of NYPA employees are also subject to this prohibition in accordance with NYPA's applicable Procurement Guidelines.
8. Not use NYPA property, including but not limited to, equipment, vehicles, staff and other assets or resources in a manner inconsistent with applicable laws, NYPA's policies and mission.
9. Not accept, receive or solicit any gift or gratuities of more than nominal value where the circumstances would infer that (a) the gift is intended to influence the individual in the performance of official business or (b) the gift represents a tip, reward or sign of appreciation for any official act. Gifts include any form of financial discounts and payments, services, loans, travel reimbursements, lodging, meals, entertainment or promise from any entity doing business with or seeking to do business with NYPA. Gifts from disqualified sources (consultants, contractors, vendors, customers) are prohibited.
10. Not directly or indirectly advise or assist any person in making a financial investment or other decision utilizing confidential information acquired at NYPA, nor disclose any confidential information as a result of information obtained through NYPA employment. (See Corporate Policy 6-1 "Securities Trading and Use of Confidential Information")
11. Refrain from acquiring and trading in the securities of electric and gas utility corporations doing business within New York State (other than shares owned in a mutual fund). (See Corporate Policy 6-1 "Securities Trading and Use of Confidential Information")
12. Prohibit the appearance of elected government officials and candidates in advertisements or promotions paid with public funds.
13. Not use one's official position to compel or induce any other state officer or employee to make or promise to make any political contribution, nor inquire about a prospective or current employee's political party affiliation, contributions or voting record. (See Employee Policy 1.2 "Recruitment and Job Posting")

14. Not appear or practice before or receive compensation from NYPA or other entities where the former employee will be involved in providing goods or services to NYPA for two (2) years following one's NYPA employment. This does not preclude "re-employment" by NYPA subject to any applicable statutory cap on earnings. The Office of Ethics and Compliance must be consulted prior to the re-employment in any manner of any former NYPA employee for evaluation to ensure consistency with the post-employment restrictions contained in the Public Officers Law.

15. Not appear or practice before or receive compensation from NYPA or other entities where the former employee will be involved in providing goods or services to NYPA at any time following one's NYPA employment relating to matters on which one personally worked for NYPA. This does not preclude "re-employment" by NYPA subject to any applicable statutory cap on earnings. The Office of Ethics and Compliance must be consulted prior to the re-employment in any manner of any former NYPA employee for evaluation to ensure consistency with the post-employment restrictions contained in the Public Officers Law.

The term "Relative" as used in this Code of Conduct means any person living in the same household as the NYPA employee, officer or trustee and any person who is a direct descendant of that individual's grandparents or the spouse of such descendant.

These Standards of Conduct do not replace and are in addition to the requirements of all applicable laws and regulations, including but not limited to, NYS Public Officers Law Sections 73, 73-a, 73-b and 74 and Title 19 NYCRR Parts 930, 932.

II. CERTIFICATION AND IMPLEMENTATION OF THE CODE OF CONDUCT

This Code of Conduct shall be provided to all employees, officers and trustees upon commencement of employment or appointment.

Employees, officers and trustees will be requested to certify annually that they have read the Code of Conduct and that they comply with its standards.

The Chief Ethics ~~and~~ Compliance Officer will provide periodic reports to NYPA's Governance Committee of the Board of Trustees about the status and disposition of concerns and issues raised under the Code of Conduct.

III. REMEDIES FOR BREACHES OF THE CODE OF CONDUCT

In addition to any penalty contained in any other provision of law, a NYPA employee, officer or trustee who violates the Code of Conduct may be disciplined upon findings and recommendations prepared by the Chief Ethics and Compliance Officer in consultation

with the Executive Vice President and General Counsel. Remedies and disciplinary action may include one or more of the following actions:

- Issuance of job performance counseling and written warnings
- Direction of written corrective action to eliminate a conflict of interest
- Restitution
- Adverse salaried employee performance assessments
- Changes in assigned job duties
- Suspension or termination of employment

Any disciplinary action arising out of violations of this Code of Conduct affecting NYPA's bargaining unit employees will be administered in accordance with the applicable collective bargaining agreement.

The concurrence of the President and CEO and Chief Operating Officer is required for any suspension or termination of employment solely arising out of violations of the Code of Conduct.

Former NYPA employees, officers and trustees who are later found to have violated the Code of Conduct during their NYPA employment may also be precluded from doing business with NYPA.

IV. REPORTING UNETHICAL BEHAVIOR

~~Trustees, officers and employees are required to~~ ~~We urge you to~~ report any unethical ~~or questionable~~ behavior or any information concerning corruption, fraud, criminal activity, conflicts of interest or abuse to the Office of Ethics and Compliance Office, your NYPA business ~~contact unit or department~~, Human Resources-Employee Relations or Facility Human Resources Managers. You are also encouraged to utilize NYPA's toll-free Employee Concerns Line (1-877-TEL-NYPA). It is accessible 24 hours a day, 7 days a week. Calls may be made anonymously.

Anyone reporting an ethical concern in good faith or participating in the investigation of a reported concern is protected from retaliation by NYPA's policies and the law. (See Corporate Policy 1-7 "Anti-Retaliation Policy")

Exhibit "2f-C"

SUBJECT: Anti-Retaliation Policy

1.0 SCOPE

This policy is applicable to all NYPA employees and its board members ("Employees"). It prohibits discrimination, harassment and/or retaliation of any kind against Employees who report in good faith, based upon a reasonable belief (i) a complaint and/or provide information concerning an actual, potential or suspected act of fraud, misconduct, wrongdoing or other inappropriate behavior by an Employee as further described in this policy, or (ii) a complaint and/or provide information regarding any alleged conduct that violates or demonstrates non-compliance with the NYPA Code of Conduct, NYPA Policies and Procedures and/or any applicable laws and regulations affecting the organization ("Whistleblowing Events").

Such report may be made to (i) ~~any person with~~ member of NYPA's supervisory ~~staff authority over the Employee~~, (ii) any other person employed by NYPA who has the authority to discover, investigate or determine fraud, misconduct and wrongdoing and (iii) a federal or state regulatory agency, law enforcement or other governmental agency. This policy is an integral component of NYPA's Ethics & Compliance Program and represents NYPA's approach to Whistleblowing Events and further establishes a NYPA Employee Concerns hotline.

2.0 IMPLEMENTATION

This Policy shall be adhered to by all Employees. Implementing procedures or guidelines shall be prepared as necessary to provide appropriate guidance in meeting the management controls. Recommendations for changes to this policy or a new corporate policy shall be processed in accordance with CP1-1 "Corporate Policy Program Administration".

3.0 MANAGEMENT CONTROLS

3.1 General

3.1.1 NYPA has established an anti-retaliation policy to:

- a) Encourage Employees to report Whistleblowing Events in an expeditious ~~convenient~~ manner, while ensuring that Employees are protected as provided for in this policy.

- b) Encourage Employees to provide information, cause information to be provided, or otherwise assist or participate in investigations or proceedings relating to Whistleblowing Events.
- c) Protect Employees from discrimination, harassment or retaliation for disclosing information or otherwise assisting or participating in investigations concerning Whistleblowing Events engaged in by NYPA Employees.

3.2 Responsibilities

- 3.2.1 The Vice President and Chief Ethics & Compliance Officer in conjunction with the Executive Vice President and General Counsel, or his/her designee, is responsible for the implementation of this policy.
- 3.2.2 The Vice President and Chief Ethics & Compliance Officer will review each Whistleblowing Event as it is received either through the hotline established by this policy or through any other reporting source. He will discuss the nature of the complaint, any allegations and/or other information provided with the Executive Vice President and General Counsel and Assistant General Counsel-Labor and Employment and determine the manner in which the Whistleblowing Event will be addressed, including whether a formal investigation will be conducted to further review the Whistleblowing Event.

3.3 NYPA Employee Concerns Anti-Retaliation Hotline (1-877-TEL-NYPA or 1-877-835-6972)

This policy establishes and encourages the utilization of a centralized, outsourced, toll-free hotline for reporting any Whistleblowing Events. Employees may remain anonymous if they choose to do so. This centralized NYPA Employee Concerns Hotline is accessible twenty-four (24) hours a day, seven (7) days a week and replaces all pre-existing hotlines maintained by or on behalf of individual NYPA departments.

3.4 Investigation Implementation

- 3.4.1 Any Employee who wishes to report a Whistleblowing Event may do so through a number of mechanisms, including direct discussion with a member of NYPA's supervisory staff, the Ethics & Compliance Office, the Internal Audit Department, the Human Resources Employee Relations division or Facility Human

Resources staff either in person or via telephone, email, or use of the anonymous outsourced NYPA Employee Concerns Hotline.

- 3.4.2 Every Whistleblowing Event will be reviewed and a determination will be made as to whether it can be substantiated, either in whole or part. This review will include an assessment of specific information including but not limited to, dates, times, locations, participants and any other relevant data needed to conduct a thorough evaluation or investigation. A reported Whistleblowing Event which is vague and/or conclusory in nature without sufficient details will be reviewed but may not be formally investigated if it is determined that there is insufficient information with which to conduct a meaningful investigation.
- 3.4.3 Upon the conclusion of a Whistleblowing Event review and/or investigation, the Vice President and Chief Ethics & Compliance Officer, the Executive Vice President and General Counsel, or his/her designee, and Assistant General Counsel-Labor and Employment will meet with the appropriate members of executive management to determine the extent to which the alleged violation(s) have been substantiated and what, if any, corrective and/or disciplinary action will be recommended to resolve the matter. The Governance Committee of the Board of Trustees will be notified as necessary in accordance with its responsibilities to oversee NYPA's Ethics & Compliance Program. In addition, a decision will be made regarding the feedback which may be provided to the source of the Whistleblowing Event and any other affected Employees.

3.5 No Retaliation for Good Faith Reports

- 3.5.1 Employees reporting a Whistleblowing Event in good faith, based upon a reasonable belief are protected from discrimination, harassment or retaliation of any kind for making the report.
- 3.5.2 No Employee may demote, discharge, harass, suspend, threaten, or in any other manner discriminate or retaliate against an Employee based upon that Employee's good faith and reasonable belief in engaging in any of the following behavior:
- a) Reporting a Whistleblowing Event or filing a claim with respect to an actual, potential or suspected Whistleblowing Event to any person with supervisory authority over the Employee (or such other NYPA Employee who has the authority to discover, investigate or determine misconduct or

workplace violations) or a federal or state regulatory agency, law enforcement or other governmental agency;

- b) Providing information, causing information to be provided, or otherwise assisting or participating in an investigation or proceeding relating to a Whistleblowing Event.

3.5.3 Any Employee who believes that he or she is the subject of retaliation or who observes retaliation against another in violation of this policy shall immediately report such retaliation to the Office of Ethics & Compliance.

3.6 Remedies For Employees Making False Allegations

3.6.1 Employees shall not knowingly report false allegations against other Employees or Whistleblowing Events, either through the NYPA Employee Concerns hotline or by any other means.

3.6.2 Any Employee who knowingly submits a false allegation or Whistleblowing Event or who retaliates against another Employee or anyone reporting and/or cooperating in the review/investigation of a Whistleblowing Event is subject to disciplinary action up to and including termination of employment.

4.0 REFERENCES

- 4.1 CP 1-1 Corporate Policy Program Administration
- 4.2 Public Authority Accountability Act of 2005
- 4.3 NYPA Code of Conduct

President and Chief Executive Officer