

March 26, 2015

MEMORANDUM TO THE GOVERNANCE COMMITTEE

FROM THE VICE PRESIDENT - PROCUREMENT

SUBJECT: Procurement and Real Estate Reports

SUMMARY

This memorandum is to advise the Governance Committee of certain 2014 activities of the Procurement and Real Estate Divisions, 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 corporate finance activities conducted by the Treasury Group; and fossil fuels activities conducted by Energy Resource Management.

The Governance Committee is also requested to review and recommend for approval by the full Board of Trustees various revised 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 - Procurement and the Director - 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 2014, as identified by the Authority's SAP computer system. The Disposal of Personal Property Report lists all personal property (including Fleet-related) disposal transactions over \$5,000 conducted during 2014. The Real Estate Report includes all transactions for the acquisition or disposal of real property by the Authority during the reporting period. 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.

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 the Disposal of Authority Personal Property, the Guidelines and Procedures for the Disposal of Authority Real Property and the Guidelines and Procedures for the 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 recently on March 25, 2014. 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 at the annual meeting to be held on March 26, 2015.