EXPENDITURE AUTHORIZATION PROCEDURES

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

Approved by the Board of Trustees on March 31, 2009

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 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

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

Trustee approval is also required when:

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

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT B

APPROVAL LIMITS - REQUISITIONS FOR PERSONAL SERVICES CONTRACTS

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

	IF LESS THAN 1 YEAR AND AWARDED TO:				CUMULATIVE CHANGE ORDER LIMIT *	
	LOW BIDDER		NON-LOW BID / SOLE SOURCE		* subject to 25% rule-see pg. 4	
FACILITY MGR-F&A, FACILITY SUPERINTENDENTS or DEPARTMENT HEADS	TO	$50,000	TO	$25,000	TO	$25,000
REGIONAL or CEC GENERAL MGR.	TO	$100,000	TO	$50,000	TO	$50,000
PROJECT MGR, SR. PROJECT MGR. or DIVISION HEAD (HQ)	TO	$100,000	TO	$50,000	TO	$50,000
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

Trustee approval is also required when:

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

EXPENDITURE AUTHORIZATION PROCEDURES - ATTACHMENT C

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

OPERATING PROJECTS:

FACILITY PURCHASING MANAGEMENT STAFF	Purchases[1]/Contracts[2]	TO	$5,000
PURCHASING/WAREHOUSE MGR	"	TO	$25,000
FACILITIES MATERIALS SUPERINTENDENT	"	TO	$250,000
REGIONAL or CEC GENERAL MGR. or DESIGNEE[3]	"	TO	$250,000

HEADQUARTERS:

PROCUREMENT AGENT / SPECIALIST	Purchases[1]/Contracts[2]	TO	$25,000
SR. PROCUREMENT AGENT	"	TO	$100,000
LEAD PROCUREMENT AGENT	"	TO	$250,000
DIRECTOR / MANAGER OF PROCUREMENT	"	TO	$500,000
VP - PROCUREMENT	"	TO	$10,000,000
SVP – ENTERPRISE SHARED SERVICES[4]	Fleet / Real Estate 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 Manager. All designations need to be in writing.

4. The Senior Vice President - Enterprise Shared Services is authorized to sign commitments for Fleet and Real Estate Transactions and up to the VP – Procurement's level in the latter's absence.

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

1. A) For contracts with initially approved amounts of **$100,000 or less,** rebidding will occur when the total cumulative value of change orders exceeds $25,000.

   B) **If rebidding is not feasible,** any request to increase funding for such contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the $25,000 threshold. The memorandum shall be approved by the initiating Business Unit Head and forwarded to the VP Procurement for review and final approval.

2. A) For contracts with initially approved amounts **exceeding $100,000,** rebidding will occur when the total value of such contracts, including change orders, exceeds the greater of 25% or not-to-exceed $1 million for Non-Personal Services, Equipment, Construction and Non-Procurement Contracts* or exceeds the greater of 25% or not-to-exceed $500,000 for Personal Services Contracts*

   B) **If rebidding is not feasible,** any request to increase funding for such Contracts must be supported by a detailed memorandum explaining the need for additional funding in excess of the 25% threshold. The memorandum shall be signed by the initiating Business Unit and forwarded to the VP Procurement for review prior to transmittal to the President or Chief Operating Officer for final approval.
   Also, change orders for non-personal services, construction, equipment, or non-procurement contracts with a cumulative value of $3 million or greater require Trustee approval, as well as any cumulative change orders for personal services over $500,000.

3. Rebidding should commence as soon as it is recognized that the contract value will exceed these thresholds, even if the term of the contract is not complete.

4. Once the approval of funding in excess of the 25% threshold is received , any subsequent increase in funding requires an additional memorandum for the President's or Chief Operating Officer's approval, until either Trustee approval is obtained or the contract is rebid.

5. Typical bases for additional funding in excess of the 25% threshold include an "emergency condition" (as defined in the Authority's Guidelines for Procurement Contracts) which necessitates the additional funding; a situation where it is impractical to rebid (e.g., a construction project where it would not be reasonable to change contractors or other reasons as provided for in the Procurement Guidelines).

6. Underestimating the scope of a contract or failure to rebid in a timely fashion are not acceptable reasons for extending a contract or increasing its value by more than 25%.

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

ATTACHMENT D

DELEGATION OF APPROVAL FOR CLAIMS SETTLEMENT AND PAYMENT FOR REAL ESTATE

	Director of Real Estate	SVP - Enterprise Shared Service	President	Chairman	Trustees
A) Settlement of Claims resulting from:					
1) Acquisition of Real Property: [1] [2]					
(a) If AV [3] is $ 20,000 or less:	150 % of AV or AV + $ 2,000	200% of AV or AV + $6,000	Anything in excess		
(b) If AV is $ 200,000 or less:	125% of AV	150% of AV	175% of AV	200% of AV	Anything in excess
(c) If AV is $ 500,000 or less:	110% of AV	120% of AV	135% of AV	150% of AV	Anything in excess
(d) If AV is $1,000,000 or less:	AV	110% of AV	135% of AV	150% of AV	Anything in excess
(e) If AV is more than $1,000,000:		AV	120% of AV	125% of AV	Anything in excess
2) Agricultural Damages and Mitigation:	$20,000	$100,000	$300,000	$500,000	Anything in excess
3) Miscellaneous Damages:	$20,000	$50,000	$100,000	$300,000	Anything in excess
4) Radio & TV Interference; Audible Noise:	$20,000	$50,000	$100,000	$300,000	Anything in excess
B) Advance Payments for Acquisition of Real Property:	100% of AV with concurrence of General Counsel if over $100,000.				
C) Disposal of Improvements on Land Acquired:	(a) Sale back to owner at estimated salvage value for relocation. (b) Private sale to occupant at estimated salvage value for relocation. (c) Public sale to highest bidder for relocation. (d) Turn over to Resident manager for demolition.				
D) Leases	Two year term plus two year renewal option $30,000 annual rent	Three year term plus three year renewal option $50,000 annual rent	Five year term plus five year renewal option $100,000 annual rent	Five year term plus five year renewal option $200,000 annual rent	Anything in excess Anything in excess
E) Options for Purchase of Real Property and Permits for Use of Property Owned by Others or for Use of Authority Property by Others [2]:	$10,000 option or permit payment	$20,000 option or permit payment	$40,000 option or permit payment	$100,000 option or permit payment	Anything in excess
F) Annual Payment in Lieu of Taxes [4]:	$10,000 per parcel	$50,000 per parcel	$100,000 per parcel	$300,000 per parcel	Anything in excess
G) Acquisition and disposition of nominal Fee and Easement interests in real property which do not require Trustee approval[5]	$3,000 per parcel	$8,000 per parcel	$10,000 per parcel		Anything in excess

(1) Only upon approval by the Trustees of the acquisition.
(2) All actions will be reported to the Trustees in January and July.
(3) AV = Appraised Value.
(4) Only upon approval by Trustees to make payment in lieu of taxes for the specific project.
(5) As previously approved by the Trustees on May 23, 1995