



**NY Power
Authority**

**Canal
Corporation**

PROPOSED AGENDA
JOINT AUTHORITY AND CANAL SPECIAL GOVERNANCE COMMITTEE
December 1, 2020 – 9:00 a.m.
Videoconference

- 1. Adoption of the December 1, 2020 Proposed Special Meeting Agenda**
- 2. Motion to Adopt an Executive Session**
- 3. Motion to Resume Meeting in Open Session**
- 4. DISCUSSION AGENDA:**
 - a. Ten Point Racial Justice and Equity Plan (Nancy Harvey, Victoria Daniels & Kaela Mainsah)
- 5. CONSENT AGENDA:**
 - a. Approval of the Minutes of the Joint Meeting of the New York Power Authority and Canal Corporation Governance Committee held on September 23, 2020.
 - b. New York Power Authority and Canal Corporation Procurement Guidelines
 - c. Proposed 2021 Schedule of Meetings
 - d. Committee Appointments
- 6. Next Meeting**



**NY Power
Authority**

**Canal
Corporation**

December 1, 2020

Motion to Conduct an Executive Session

I move that the Committee conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105 of the Public Officers Law).



**NY Power
Authority**

**Canal
Corporation**

December 1, 2020

Motion to Resume Meeting in Open Session

I move to resume the meeting in Open Session.



Date: December 1, 2020

To: THE GOVERNANCE COMMITTEE

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Ten-Point Racial Justice and Equity Plan – Authorization

SUMMARY

The Trustees will be requested at their December 9, 2020 meeting to approve the Authority's Ten-Point Racial Justice and Equity Plan ("Plan").

The Plan aims to move the Authority towards greater diversity, equity and inclusion in its workforce, supplier base, and community impact through a variety of internal and external initiatives that will ultimately increase the representation of Blacks across NYPA and the energy industry. Through this Plan, NYPA will increase its investment in the Office of Civil Rights and Inclusion, and the Environmental Justice and Supplier Diversity programs from \$5 million to \$22.265 million.

The Governance Committee is requested to recommend to the Trustees the approval of the Authority's Ten-Point Racial Justice and Equity Plan and incremental investments of \$22.265 million to achieve the outcomes associated with the Plan.

BACKGROUND

In 2017, the Authority established the Office of Civil Rights and Inclusion ("OCRI") to lead its diversity, equity and inclusion ("DEI") initiatives. Initially OCRI focused on employee engagement around DEI in order to build a critical mass of champions as a precursor to embedding future DEI programs successfully. The program aligns with industry best practices with focus on three main pillars: Building a Diverse Workforce, Leadership Accountability and Recruitment and Development.

Following the George Floyd murder and the national outrage and dialogue it precipitated on systemic racism in our society, President Quinones engaged with employees through a Special All-Hands Meeting on June 1, and conversations with representatives of NYPA's Multicultural Employee Resource Group. As a result, President Quinones tasked a Working Group comprised of members of the Office of Civil Rights and Inclusion, Environmental Justice & Sustainability, Human Resources and Talent Development, Labor Relations, and the Chief of Staff with developing recommendation for concrete steps that NYPA could take to further racial justice and equity, establishing NYPA as a leader in the public utility industry.

Indeed, from Albany to New York City, historic moments of inclusion have occurred, and New York state has taken concrete steps to address systemic racism and establish social justice:

- Governor Andrew M. Cuomo signed landmark legislation in June to create greater police accountability.
- New York City disbanded its local anti-crime units amid activist complaints that the plainclothes police were undermining trust in the community following a "disproportionate percentage of complaints against them and shootings," according to the city's Police Commissioner.
- Governor Cuomo declared June 19, 2020 "Juneteenth" a State Holiday — The holiday is meant to commemorate the emancipation of 4 million slaves, but particularly the small handful who were not aware that emancipation had come months earlier.

In addition, discussions abounded around the role of corporations in perpetuating the social and economic inequity experienced by Black and other people of color. According to McKinsey, the racial wealth gap in the US is persistent and creates two negative impacts for Black families:

- The first is the human impact – the health and well-being of Black Americans and Black communities as they struggle to have the security needed to thrive in our economy
- And second, is the economic impact – where it is known that this gap not only affects Black Americans but also impeded growth of the US economy as a whole.

According to the WSJ article – “Your Company Says Diversity Is a Higher Priority, Now What?”, “This is a matter of fixing a broken system. Fostering diverse and inclusive workplaces could also boost companies in big ways, including improving financial performance and sparking innovation, research shows. Just 0.8% of Fortune 500 chief executives and 8% of professionals are Black, according to data analyzed by the Center for Talent Innovation.”

Historically, as the largest public utility in the US, the Authority has led by example and served as a model for the energy industry. Following the call to action to address racial inequality and the Governor’s activist lead, the Authority joined with the American Association of Blacks in Energy (“AABE”) and its commitment to increase representation of African Americans in employment, leadership, business contracting and workforce development in the energy sector.

At the September 23, 2020 meeting, the Authority presented a holistic, Ten-Point Racial Justice and Equity Plan with internal and external facing commitments intended to build a more diverse and equitable workplace, leverage NYPA’s resources and experience to increase the number of MWBEs supporting the clean energy transition, and increase the pipeline of clean energy workers through the expansion of NYPA’s community STEM programs and scholarships that afford students in Environmental Justice communities with opportunities to acquire industry experience. The Authority provided details of the Plan, a 3-year endeavor with an estimated incremental investment of \$5 million that in effect doubled the investment in Diversity Equity and Inclusion to \$10 million.

However, a fully engaged and committed Board of Trustees challenged the Authority to enhance the Plan further i.e. the investment, deliverables and outcomes necessary to successfully achieve the Plan and ensure the undertaking is as aggressive, robust, and bold as possible.

It is important to note that the Office of Civil Rights and Inclusion is not alone in driving the tenets of diversity, equity and inclusion across the Authority. Indeed, key stakeholders such as Talent Development, Employee Relations and other business units, together with people leaders across the Authority drive diversity, equity and inclusion through career development initiatives, targeted training modules and one on one coaching and development of individual contributors. In effect, over 150 staff in cross functional roles drive some 85,000+ hours attributed to developing and expanding the Authority’s pool of inclusive leaders.

We believe that the Plan we are presenting for your consideration will ensure the success of the program.

DISCUSSION

The Trustees are requested to adopt a Ten-Point Racial Justice and Equity Plan aimed at building a more diverse, equitable and inclusive workforce.

The Plan, now a 5-year program, consists of the following internal and external commitments:

Internal Commitments

1. *Reaffirm NYPA’s commitment to building and maintaining a diverse, equitable and inclusive culture.*
The Plan will establish DEI as one of NYPA’s top priorities and values and will embed it into NYPA’s VISION2030 Strategy; create a DEI communications strategy and an organized working group to inform and direct the Authority’s overall DEI strategy.
2. *Ensure that NYPA’s processes, policies and procedures are transparent and free from bias.*
Through benchmarking and data analysis, the Authority will be informed on ways to shape its strategy and recommendations on how to become more diverse and inclusive as well as track progress and drive reports for leadership. Employees will enjoy greater transparency and access to

information to better manage their career path and experience in the workplace. For example, the AAO and Employee Relations processes will be amplified, and a training module related thereto established. The ERG governance will be formalized to grant employees greater ownership and direct benefits associated with being an active ERG leader. In addition, job categories, job descriptions and career paths will be re-engineered to create consistency and easily accessible clear career paths across the organization.

3. *Expand ongoing training to NYPA employees on antiracism, unconscious bias, microaggression, and cultural competency.* Ongoing training, expanded to include civility and respect, will build cultural competency and create psychological safety among staff who can engage in courageous conversations about racism and other difficult topics, as well as develop a culture of upstanders against racism and bias. The Plan will also facilitate new hiring and selection processes and training.
4. *Create a Chief Diversity, Inclusion and Equity Officer position, reporting to the President and CEO and to the Chief Human Resources and Administration Officer – and increase investment in the office of Civil Rights and Inclusion.* To ensure the DEI goals of the Plan and NYPA are met, the DEI leader must be empowered with the authority and flexibility to engage at all levels of the organization as the primary advocate for the advancement of diversity, equity and inclusion. Adequate resources, such three additional full-time staff, are critical if the DEI program is to be successfully advanced.
5. *Invest in NYPA's Black employees and create pathways for career development and upward mobility.* The Authority will create specific and measurable development plans for each employee that takes into account current and future opportunities and provides stretch assignments. In addition, strategic partnerships to develop and build management and leadership capabilities and cross-functional knowledge necessary to lead successfully.
6. *Cast a wider net and secure a diverse slate of applicants for vacancies by partnering with professional organizations such as the American Association of Blacks in Energy, Historically Black Colleges and Universities and local and national colleges and universities.* The Authority will design a digital presence with the aim of showcasing NYPA's diverse talent and attracting increased interest and applications from diverse talent.
7. *Partner and support NYPA's employee unions at the national, regional and local levels and invest in their diversity, equity and inclusion programs and initiatives.*

External Commitments

8. *Leverage NYPA's experience, resources and purchasing power to build capacity and access to MWBE firms.* The Plan will strengthen NYPA's brand as a diverse organization that welcomes and encourages a diverse supply chain with greater opportunities for MWBEs through a new Mentor-Protégé Program. In addition, the Plan will boost the ability of diverse firms to qualify for secure bonding/capital access and work as Prime Contractors on NYPA/Canals projects. The Authority will be able to monitor increased spending with diverse firms by establishing goals and KPIs for business units to meet. The Supplier Diversity Program advance opportunities for MWBEs by developing a strategic program roadmap, launching an enterprise-wide training program and hosting regional supplier diversity events.
9. *Broaden NYPA's community-based STEM, student internship and mentorship programs to increase the pipeline of utility and clean energy workers of tomorrow – including the creation of a targeted college scholarship program.* The Plan will build a pipeline and develop BIPOC students as employees for tomorrow by establishing NYPA's P-Tech Program for students in Environmental Justice host communities. Building industry and educational partnerships to award regional scholarships to students in Environmental Justice host communities will also boost the pipeline of future NYPA and energy industry employees. Ultimately, the Plan through Environmental Justice will establish 100 paid internships sourced from 10 P-Tech Partner schools as well as 20 annual scholarships with industry and community partners.
10. *Create an enterprise-wide employee service program dedicated to understanding racial justice through our clean energy business, such as community solar for example, and energy sustainability work in environmental justice communities.* The Plan will provide NYPA employees with experience in, and exposure to diverse communities providing firsthand knowledge on how to facilitate, lead

and partner with different communities by enhancing the existing Paid Volunteer Policy to include an expanded comprehensive monthly calendar of volunteer opportunities.

FISCAL INFORMATION

The estimated incremental investment for the entire Plan is approximately \$22,265,000 over five years. Detailed requests and justifications for funding of specific components of the Plan will be presented during future budget proposals. Funding, as may be approved for each of the components, will be provided from the Operating Fund.

RECOMMENDATION

The Chief Diversity, Equity and Inclusion Officer requests that the Governance Committee recommends that the Trustees approve the Authority's Ten-Point Racial Justice and Equity Plan and incremental investments of \$22.265 million to achieve the outcomes associated with the Plan as described above.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Governance committee hereby authorize the Authority's Ten-Point Racial Justice and Equity Plan and incremental investments of \$22.265 million to achieve the outcomes associated with the Plan as recommended in the attached memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.



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

September 23, 2020

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Minutes of the regular meeting of the New York Power Authority and Canal Corporation's Governance Committee held via videoconference at approximately 10:38 a.m.

The following Members of the Governance Committee were present:

Dennis Trainor, Chair
John Koelmel
Eugene L. Nicandri
Tracy McKibben
Michael Balboni

The following Member of the Governance Committee was excused:

Anthony Picente

Also in attendance were:

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Joseph Kessler	Executive Vice President and Chief Operating Officer
Kristine Pizzo	Executive Vice President and Chief Human Resources and Administrative Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Sarah Salati	Executive Vice President and Chief Commercial Officer
Yves Noel	Senior Vice President – Strategy & Corporate Development
Soubhagya Parija	Senior Vice President and Chief Risk Officer
Angela Gonzalez	Senior Vice President – Internal Audit
Robert Piascik	Senior Vice President and Chief Information Officer
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics & Compliance Officer
Daniella Piper	Vice President – Digital Transformation Office and Chief of Staff
John Canale	Vice President – Strategic Supply Management
Ruth Colon	Vice President – Enterprise Shared Services
Saul Rojas	Vice President – Enterprise Resilience
Christina Reynolds	Treasurer
Nancy Harvey	Chief Diversity, Equity & Inclusion Officer
Susan Craig	Director – Media Relations
Kaela Mainsah	Senior Manager – Environmental Justice
Victoria Daniels	Manager – Supplier Diversity
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Associate Corporate Secretary

Chair Dennis Trainor presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chair Dennis Trainor welcomed committee members and Authority senior staff to the meeting. He said that the meeting had 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**

On motion made by Member John Koelmel and seconded by Member Eugene Nicandri, the Agenda was adopted.

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

“Mr. Chairman, I move that the Governance Committee conduct an executive session to discuss the employment history of a particular person, pursuant to section 105 of the Public Officers Law.” On motion made by member John Koelmel and seconded by member Eugene Nicandri, the members held an executive session.

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

“Mr. Chairman, I move to resume the meeting in Open Session.” On motion made by member Eugene Nicandri and seconded by member John Koelmel, the meeting resumed in Open Session.

Chairman Trainor said that no votes were taken during the Executive Session.

4. DISCUSSION AGENDA:

a. Ten-Point Racial Justice and Equity Plan – Authorization

President Quiniones said that at the July 28th Board meeting the Authority made a commitment to address the issues related to racial justice, diversity, equity, and inclusion. This stemmed from the death of George Floyd and the conversations that the Authority had with its employees, especially the Black employees, at NYPA and Canals. He said that since that time the Authority created a working group, and along with the multi-cultural employee resource group created ten commitments that the Authority is making as a company to deal with racial justice, diversity, and inclusion. They have put the desired outcomes and some rough initial estimates together to get started on the pathway to address this very important issue.

He continued that, even before the Board meeting in July, the members had expressed their support and desire for the Authority to address this issue and be an example, not only to the utility industry but also to other companies. To that end, three members of the working group will make a presentation to the members. First, Nancy Harvey, who was recently promoted to be the Authority's Chief Diversity and Equity & Inclusion Officer, reporting to Kristine Pizzo and to me, elevating that role in our organization. The members will also receive a presentation from Kaela Mainsah and Victoria Daniels on the Authority's Environmental Justice initiatives, and M/WBE programs, respectively.

Ms. Nancy Harvey, Chief Diversity, Equity, and Inclusion Officer provided highlights of staff's recommendation to the Board. She said that the New York Power Authority and Canal Corporation has always been committed to cultivating and fostering an organization that is diverse, equitable and inclusive. She is responsible for leading those efforts through the Office of Civil Rights & Inclusion ("OCRI") and will provide the Boards with an overview of the Diversity, Equity and Inclusion strategy and seek the Boards' approval of the commitments to racial justice and equity, known as the Ten-Point Racial Justice and Equity Plan which was introduced by President Quiniones at the last Board meeting.

The Ten-Point Racial Justice & Equity Plan was the result of a collaborative effort in partnership with cross-functional working groups and Business Units. The Working Group met weekly and consulted with various staff members to create the Plan consistent with best practices; the Plan also incorporated employee feedback. The Multicultural Employee Resource group provided input, and in the coming months the members will play an active role once the action items are more fully developed.

The Plan consists of specific deliverables and associated outcomes for management and represented staff for the 10 commitments which will be implemented and tracked over a 3-year period. The Plan is holistic in its approach as it extends beyond the workplace and is overseen by three departments:

1. Office of Civil Rights & Inclusion
2. Supplier Diversity Program; and
3. Environmental Justice

Ms. Harvey then discussed the internal commitments led by the Office of Civil Rights & Inclusion, and her colleagues, Ms. Victoria Daniels, and Ms. Kaela Mainsah discussed the external commitments led by the Supplier Diversity Program and Environmental Justice, respectively (Exhibit "4a-A").

i. The Office of Civil Rights and Inclusion

- The first component of the Plan is led by the OCRI.
- Since 2017, OCRI developed and managed a Diversity, Equity & Inclusion (“DEI”) Program which aligns with industry best practices and is focused on 3 areas which forms the foundation of the Plan:
 1. Building an Inclusive Workforce
 2. Leadership Accountability and Training
 3. Recruitment and Development of Staff
- This foundation and associated initiatives will help accelerate and grow the program as well as deliver on the commitment to the employees to create a more diverse, equitable and inclusive workforce.
- Based on the feedback from staff, ERGs and SMEs, the DEI portion of the Plan is aligned to three main goals, namely, Accountability, Transparency and Education.

1. Accountability: prioritizes DEI across the organization and connects outcomes to leadership.

Through benchmarking and data analysis, the Authority will be informed on ways to shape its strategy and recommendations on how to become more diverse and inclusive as well as track progress and drive reports for leadership.

2. Transparency: Demystifies processes for employees.

Employees will enjoy greater transparency and access to information to better manage their career path and experience in the workplace. Transparency builds trust as the more employees know, the more they will believe actions and decision-making by leadership is ethical and fair. It evaluates DEI programs and NYPA policies and procedures to ensure programs and practices are inclusive and equitable.

3. Education: Supports knowledge building and increases inclusive practice across the organization.

Bystander intervention training teaches employees effective strategies on how to address and intervene when they witness bad behaviors taking place. Equipping employees with the tools to tackle hostile behaviors can help foster greater inclusion and belonging.

By centering the internal actions around accountability, transparency and education, DEI’s efforts will ultimately result in an organization that is an employer of choice for everyone, especially as the organization increases the representation of African Americans and under-represented staff in employment and leadership.

Ms. Harvey ended by saying that, a preliminary investment for this component will be \$2.665 million. The Office of Civil Rights and Inclusion will work collaboratively with NYPA and Canals staff, the Executive Management Committee and leadership to communicate, execute and monitor the Plan. Going forward, OCRI will provide updates on all progress and looks forward to creating an organization that represents, empowers, and supports the communities in which we live and work.

ii. NYPA's Supplier Diversity Program

Ms. Victoria Daniels, Manager of Supplier Diversity, provided an overview of NYPA's Supplier Diversity Program and described the plan to expand participation of businesses owned by women and people of color in the supply chain.

Overview of the Program

- NYPA started its Supplier Diversity Program in 1983, before New York State enacted Executive Law 15-A in 1988. Since that time, NYPA has awarded more than \$1 billion to Minority/Women-Owned Businesses ("M/WBE") through direct spent and subcontracting opportunities.
- NYPA has been successful in meeting compliance, and regulatory outreach/education requirements and its program is well-known throughout the M/WBE community.
- NYPA has an excellent reputation with the Empire State Development Corporation and the Governor's office and is often called upon to present best practices recognizing NYPA's goal of becoming the first end-to-end digital utility.
- NYPA's procurement operating model changed to a strategic relationship with its suppliers.
- In order to find opportunities to educate M/WBE suppliers on how to do business with NYPA, Supplier Diversity increased its regional outreach events (Niagara/upstate/downstate/White Plains) and added a training component, partnering with its suppliers who acted as panelists and co-presenters.
- NYPA also provided Ariba training classes on how to respond to bids, prevailing wage, etc. This event solidified NYPA's reputation throughout the state because NYPA introduced new ideas in supplier diversity education and outreach.
- NYPA added Supplier informational training webinars on nypa.gov website.

The continued success of the program is not based solely on meeting regulatory requirements as the needs of the state are not merely regulatory, nor are the needs of NYPA, both of which have changed. The state is requiring NYPA to look for innovative opportunities to bring solar, wind power and energy efficiency savings throughout New York state. M/WBEs must also be ready to meet these demands; however, many M/WBEs either cannot provide the goods or services due to location, bonding, or availability issues; lack of awareness; no relationship, or lack of needed and vital networking opportunities.

Supplier Diversity Commitments

The Supplier Diversity program continues to be successful. However, in order to increase M/WBE participation, the program will focus on three categories Building Capacity, Reducing Barriers and Metrics.

NYPA will use their experience, resources and purchasing power to assist M/WBEs to build their capacity, reduce barriers and create metrics to determine success which is necessary in order to develop measurable and accurate KPIs.

Building Capacity

It is vital and necessary to meet the demands of NYPA's 2030 goals and the goals of the State.

- By aligning NYPA's internal and external Supplier Diversity communications, NYPA will ensure that the training to employees and suppliers is robust and fully aligned with the overall DEI message.
- Creating a robust Mentor Protégé Program will ensure NYPA has a solid pipeline in place for its future EJ and internship programs.

Reducing Barriers

NYPA's internal commitment to the program can help to reduce barriers.

- By creating and implementing a Surety Bonding Program, NYPA can get suppliers prepared to bid on larger projects
- NYPA can review and modify its policies to ensure that they meet its revised DEI Guidelines; and
- Simplify contract Terms and Conditions for low risk projects.

Metrics

- Establish Departmental Goals; and
- Establish Corporate Goals - NYPA and Canal will have their own organizational goals ensuring that success can be easily measured and reported.

Projected results

By making those commitments NYPA can expect to reap the rewards of:

- A Mentor Protégé program that is generating a future ready pool and potential pipeline of well-qualified M/WBEs available to work on NYPA/Canal projects
- Increased M/WBE contract awards
- Decreased sole- and single-source contract awards
- Future available pipeline for EJ and internship programs
- Streamlined procurement policies and procedures
- Measurable KPIs and metrics with departmental and organizational deliverables; and
- A first-class Supplier Diversity Program that meets NYPA's growing contracting needs.

Most importantly, NYPA will continue a tradition that it is known for, it will have strengthened its relationships with its M/WBEs, suppliers, customers and the community, which will be a demonstration of NYPA's leadership and commitment to New York State and the utility industry.

The investment in the program must not just be in time, but in resources needed to ensure the success of the projects brought before the members for approval. An additional three-year incremental investment of \$1.6 million is requested for this component.

iii. Environmental Justice Program

Ms. Kaela Mainsah, Senior Manager of Environmental Justice, provided an outline of NYPA's Environmental Justice ("EJ") Program. She said that NYPA has administered an Environmental Justice program for nearly 20 years. In 2017, NYPA decided to renew its commitment to Environmental Justice communities that host its statewide facilities. To that end, under the leadership of Lisa Wansley, Vice President of the newly created Department of Environmental Justice and Sustainability, the staff embarked on a statewide "listening tour." They spoke with more than 200 stakeholders – community-based organizations, after-school programs, Community Boards, and EJ advocates – and asked them what programs NYPA could deploy that would be a benefit to overcome some of the challenges they expressed. The result was a revamped community-informed program focused in four key areas:

1. **STEM Programs**

- The goal is to help bridge the STEM achievement gap for students who attend the under-resourced schools in NYPAs EJ communities.
- NYPA provides hands-on learning experience for children ranging from grades K to 12 and through college. Through school groups, summer camps, career exposure workshops, NYPA strives to build the students' interest in reading and instill a sense of confidence in science and technology.

2. **Community Adult Energy Literacy**

- Workshops were designed to educate adults in the community about energy efficiency.
- NYPA educate adults in the community on what they can do in their old homes to save money on the utility bills. They are taught about clean energy and the intersection between climate change resiliency and health.

3. **Community Outreach and Advocacy**

- Internal advocate ensuring that community considerations are prioritized in the implementation of NYPA strategic programs.
- In terms of community outreach, NYPA supports community events such as back-to-school events, or community fairs. At these events, NYPA seeks to be a resource and a source of information for its neighbors teaching them about electricity and how it is generated; the meaning of battery storage; how electric vehicles work; and, how solar works.
- Internally, NYPA considers itself an advocate for the community, trying to make sure the greenhouse and other considerations are prioritized in the implementation of NYPA's strategic programs.

4. **Community Energy Efficiency Projects**

Execution of non-recoverable community energy efficiency projects:

- Buffalo Children's Museum weatherization
- Massena Housing Authority refrigerator replacement
- Niagara Falls Housing Authority lighting

These programs, and the relationships built will be useful in building and implementing the DEI commitments.

Environmental Justice is responsible for two commitments in the Ten-Point Plan:

1. Diversify the Pipeline of Utility and Clean Energy Workers. This will be accomplished through the establishment of two new initiatives:
 - The NYPA PTECH Scholars Program and
 - The Future Energy Leader Scholarship program
2. Community Service Program that ensures that NYPA employees can contribute to underserved communities where it conducts business.

Environmental Justice Outcomes

Pathways in Technology Early College High School program (PTECH)

PTECH is an innovative educational model that was pioneered by IBM which prepares young people for the academic, technical, and professional skills required to be successful in the 21st century.

PTECH is a partnership between a public school, a community college, and an industry partner. NYPA will be providing extensive workplace experiences including mentorships and paid internships.

The program spans grades 9 through 12. Students graduate with a High School Diploma and an Associate Degree with a utility focused STEM discipline, at no cost.

Majority of students graduating from PTECH tend to complete their four-year degree.

Students graduating from PTECH are equipped with a resume of professional and academic skills. Therefore, NYPA is providing the utility ecosystem with a diverse talent pool, while benefitting its own stakeholders.

Scholarships

EJ will research existing scholarship models and explore industry partners so that they can work together to deploy these scholarships. EJ is working closely with the Ethics and Legal departments to understand the boundaries in which they can operate. The potential partnerships include:

- National Society of Black Engineers
- SUNY and CUNY first generation scholarship programs
- American Association of Blacks in Energy
- National Action Council for Minorities in Engineering

EJ Outcomes Community Corps

The Employee Volunteer Corps is both an inward and outward facing initiative. EJ wants to leverage the expertise of NYPAs scientists, engineers, project managers and cyber security professionals to be a benefit to the marginalized communities where NYPA does business.

The total investment covers the cost of paid internships, scholarships and administration.

The New York Power Authority and Canal Corporation Boards will be requested to approve the Ten-Point Racial Justice and Equity Plan to achieve the deliverables and outcomes with an incremental investment of \$5M over a 3-year period (2021-2023) as follows:

- Office of Civil Rights and Inclusion \$2.665M
- Supplier Diversity (MWBE Program) \$1.06M
- Environmental Justice Program \$1.275M

Member John Koelmel said that on behalf of the committee he wanted to thank Nancy, Victoria, and Kaela for their presentations and for the outstanding work that they have been doing for several years, and, in particular, the last couple of months, to help the Authority accelerate this critically important issue. He said they should be assured of the members' full and complete support, and implicit in that is the members' endorsement of their recommendations. As the members look ahead into 2021 and beyond, there is nothing that they deem more important than their commitment to this program. However, they wanted to ensure that the Board is doing everything to enable the three of them, and, more importantly, the organization as a whole, to be successful and effective.

He continued that, not to diminish what has been requested, the members view the request as "seed funding," rather than the absolute amounts that are necessary to achieve the kind of impacts that the group so passionately endorse and support. The group should be assured that the members are anxious to give the kind of support that they need financially to enable success of the program.

He reiterated that the members are in full support of the program; however, they would like the group to provide a game plan and timeline that addresses the metrics, the success measures, as well as the starting point for their review. He ended by saying that the members would like the group to come back at the next meeting in December with a bolder, more robust, and aggressive financial commitment for the Board's consideration.

Following the discussions, the members agreed to defer the vote on this item to the December 9th Board meeting.

5. **CONSENT AGENDA:**

- a. **Approval of the Minutes of the Joint Meeting of the
New York Power Authority and Canal Corporation
Governance Committee held on March 31, 2020**

On motion made by member Tracy McKibben and seconded by member John Koelmel, the Consent Agenda was adopted.

**b. Procurement and Related Reports –
January 2020 to June 2020**

The President and Chief Executive Officer submitted the following report:

SUMMARY

This report is to advise the Governance Committee of certain 2020 Strategic Supply Management Department activities, for NYPA and also the Canal Corporation where appropriate and applicable, including: procurement contract; disposal of personal property; Supplier Diversity Program and plant inventory statistics; as well as fossil fuels conducted by the Fuel Planning and Operations Group; and corporate finance conducted by the Treasury Group.

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President – Strategic Supply Management is required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and other staff to prepare additional reports and to produce documents for the Committee's 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 NYPA Exhibits '5b-A' – '5b-G,' and Canal Corporation Exhibits '5b-H' – '5b-I,' the Procurement Contract Report summarizes activity for procurements of \$5,000 or greater that were active during the period January through June 2020, as identified by the Authority's SAP Enterprise Resource Planning ('ERP') system. The Disposal of Personal Property Report lists all personal property disposal transactions over \$5,000 conducted during the period January through June 2020. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises ('MWBEs') as well as to Service-Disabled Veteran-Owned Businesses ('SDVOBs') based on reportable expenditures. Please note that the MWBE and SDVOB compliance and reportable expenditure values were generated for internal tracking purposes based on NYPA's calendar year reporting and may not be in alignment with approved NYS fiscal year measures. 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 Planning and Operations and Treasury work groups, respectively. The Transfer of Interest in Personal Property to Canal Corporation report identifies personal property transferred from the Authority to Canal Corporation deemed prudent by the Contracting Officer to facilitate the Canal Corporation's obligations to operate, maintain, construct, reconstruct, improve and develop the canal system.

FISCAL INFORMATION

There will be no financial impact on the Authority or the Canal Corporation.

RECOMMENDATION

The Governance Committee is requested to review and approve the Procurement, Fossil Fuels and Corporate Finance Reports (attached hereto as NYPA Exhibits '5b-A' – '5b-G,' and Canal Corporation Exhibits '5b-H' – '5b-I')."

c. Interim Real Estate Report

"SUMMARY

This report is to advise the Governance Committee of certain 2020 activities of the Real Estate Division regarding the acquisition and disposal of real property.

BACKGROUND

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

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

DISCUSSION

The Report of the Acquisition and Disposal of Real Property for the period January 1, 2020 through September 10, 2020 is attached hereto as Exhibit '5c-A.'"

d. **New York Power Authority and Canal Corporation
Ethics and Compliance Program and Enterprise
Resilience Reports**

The President and Chief Executive Officer submitted the following report:

ETHICS and COMPLIANCE

“SUMMARY

The Office of Ethics and Compliance (‘E&C Office’) advises NYPA’s and the Canal Corporation’s (‘Canals’) trustees, directors, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards relating to NYPA’s and Canals’ employees and operations. It coordinates the investigation of allegations and concerns involving NYPA’s and Canals’ assets and employees. E&C staff members participate on various formal and informal working groups related to risk, internal controls, and best business practices. This report highlights significant developments in the ethics and compliance program for the period January 1, 2020 through September 23, 2020.

BACKGROUND

The E&C Office began virtual, remote operations on March 16, 2020, shortly before its most recent report to the Governance Committee on March 31, 2020. E&C staff were provided with all necessary equipment and guidance to seamlessly transition to deliver virtual consultation services and guidance to Trustees, external board members, executive management, incident command structure (‘ICS’), employees and business partners.

The principal substantive issues arising under the NYS ethics laws and NYPA’s Code of Conduct and the Canal Corporation’s Code of Ethics investigated or researched since the most recent Governance Committee report include requests to engage in outside activities and employment, conflicts of interest reviews, financial disclosure analyses and post-employment guidance. The E&C Office offered COVID-19 response guidance to many stakeholders as the workforces experienced unprecedented change and challenges in continuing to provide critical services to NYPA’s employees, internal and external customers and business partners while working from various remote locations. This report will detail several COVID-response related issues addressed by the E&C Office.

The E&C Office continues to expand its internal consulting role related to emerging enterprise-wide advisory and strategic initiatives through participation in various informal and formal working groups. Ensuring adherence to the Public Officers Law and its heightened transparency requirements to protect NYPA, Canals and its employees is vitally important as NYPA transforms into the first digital utility in North America and Canals’ employees Re-Imagine its future. This emergent workstream will be regularly reported in this and future Governance Committee Reports.

DISCUSSION

Enterprise Initiatives--Committees and Working Groups

- Internal Controls Committee
- Enterprise Resilience Committee
- Non-NYPA Personnel Informal Working Group/Third Party Risk Mitigation
- Fraud Risk Assessment Working Group
- Secure Committee
- Strategic Supply Management (SSM)

The E&C Office actively participates on the committees noted above, providing insight and guidance related to the roles of NYPA's Trustees, employees, contingent workers, consultants and in some cases, its customers. Most recently, these committees have all identified opportunities to enhance internal controls governing the interactions between NYPA and Canals' employees and non-NYPA personnel. The Non-NYPA Personnel working group identified three emergent risks related to consultants and contingent workers. The working group presented its findings and recommendations to the Secure Committee (Cyber and Physical Security). The Secure Committee concurred with these recommendations and all three remediation initiatives are currently underway.

The initial recommendation requires replicating the HireWorks contingent worker tracking system, to build out a consultant version which will include all non-NYPA/Canals personnel providing consulting services to the respective organizations. Currently, there is no central repository housing all non-NYPA/Canals personnel. This proposed centralized repository will allow responsible hiring managers to onboard and offboard both contingent workers and consultants from one convenient location. They will be able to authorize various electronic systems access and will allow responsible managers to terminate systems access at all levels within one application. This provides a high level of confidence that the systems are secure and can be locked down on short notice.

As this central repository is developed and populated, it will enable various departments to utilize data analytics to inform ongoing resource and budget planning initiatives. The system will track contract start and end dates for non-NYPA/Canals personnel and will include a cost of service calculator. The calculator will require responsible managers to evaluate and certify that the appropriate category of non-NYPA personnel is engaged for the requisitioned position. This will require department managers to verify that higher cost consultants are necessary to complete projects, rather than utilizing lower cost 'gig' workers for functional staff augmentation. We are aware of several instances in which departments have mis-classified the type of staff augmentation needed which have resulted in compliance gaps on long term staff augmentation assignments. This practice exposes NYPA to unnecessary legal risk.

Use of this system will be mandatory and serve as the foundational structure for engaging third-party non-NYPA/Canals staffing resources, going forward. Policies and procedures will be updated, and training will be revised and re-issued, detailing required processes. Regular audits will be scheduled to ensure that responsible managers are maintaining accurate information in real-time. All responsible hiring managers will be required to follow these updated procedures, or their requests will not be processed. Any deviation from the policy/procedure will require immediate remediation at the earliest feasible opportunity.

Further, as the system is built out and enhanced, it will provide additional third-party risk and insider threat mitigation opportunities. Future state plans for this repository may include categories for returning retirees and developmental interns.

The second identified work stream for non-NYPA personnel includes systems access rights. Systems access for Non-NYPA/Canals personnel will be restricted to least access privilege rights necessary to accomplish their respective tasks. This will decrease access to confidential or proprietary information contained across NYPA's systems. The IT department is currently developing data access/data controls policies to ensure that confidential and proprietary information is secured.

Lastly, all non-NYPA personnel will have required, standard identifying information contained in their email signature blocks. The IT department will develop a template signature block that identifies the non-NYPA/Canals personnel and their employer, which will alleviate any confusion regarding the sharing of confidential or proprietary information owned by NYPA/Canals and their business partners.

The transition to a virtual work environment identified additional challenges concerning data access and protections that will be addressed as new collaboration tools are vetted, approved, and socialized across both NYPA and Canals.

Employment Considerations

The challenge to secure and maintain a qualified workforce to meet the needs of the evolving utility industry requires flexibility and innovation. As public sector employees subject to provisions of the NYS Public Officers Law, NYPA and Canals hiring managers must maintain a high degree of accountability and integrity in securing full-time government employees, as well as contingent labor staff.

To maintain confidence that the hiring process is transparent and impartial, all responsible hiring managers must refrain from actively referring candidates or participating in the hiring process as it relates to relatives, friends, or colleagues from prior employers.

Targeted training will be developed and delivered to all management employees detailing transparency requirements and the need to disclose any prior working relationships between NYPA managers and any identified employment candidates. These disclosures will be reviewed by appropriate management representatives and E&C to determine whether any impermissible conflicts of interest exist.

Strategic Supply Management ('SSM') --- Conflict of Interest ('COI') Disclosure Form

The E&C Office finalized a conflict of interest form for all participants in the competitive procurement bid evaluation process, including contingent workers, consultants, and various business partners. Prior to participation on a bid evaluation team, each team member must complete a COI form disclosing any personal or work-related conflicts that might raise the specter of impropriety. Non-NYPA personnel and business partners serving on evaluation committees must adhere to the following:

- complete a conflict of interest disclosure
- certify that an organizational conflict of interest review has been completed by their employers
- disclosure forms will become part of the procurement record and can be used to disqualify participants, and during contract termination proceedings
- consultants may only provide technical guidance, they may not participate in vendor selection, evaluate, rank, score or otherwise recommend bidder proposals for contract awards
- contingent workers should not be provided unfettered access to the bid proposals. This is particularly important in mini-bid scenarios in which an RFP is released to companies serving under a multi-year master services or value contract agreement. These firms are regularly competing against each other for opportunities limited to a select group of firms and for multi-phased projects.

This new requirement was socialized across the SSM environment through live training sessions. The process was revised and further refined in response to issues raised during training sessions. In one scenario, a court appointed oversight board related to a NYC based governmental customer objected to required participation. The E&C Office worked with SSM and the Legal Department to craft a separate disclosure form requiring oversight staff to follow all legal and professional ethical standards common in their respective practices in order to gain access to bid response information.

Caseload Management

The charts below illustrate the categories of inquiries and cases between January 1-September 1, 2020. Cases were received from all NYPA locations and many Canals sections.

	NYPA	Canal Corp	Covid-19 Related
Allegations	17	7	7
Appearance of Impropriety	15	5	
Conflicts of Interest	3	3	1
Contractor Issues	13		
Gifts	8		
Information Requests	19		
Nepotism	7	13	
Outside Activities	12	1	1
Outside Employment	29	7	
Political Inquiries	2		
Post-Employment	45	8	
Securities	0		
Unwarranted Privilege	64		2
Use of Assets	6		3
Totals	240	44	14
% Total	81.36%	14.92%	4.7%

Employee Concerns Line

The Employee Concerns Line received five cases through its web-based reporting form during the covered reporting period and an additional twelve allegations were received through various anonymous and direct-contact mechanisms. Each concern was triaged and assigned to the appropriate departments and teams for review. Of the seventeen (17) reported allegations, seven included COVID-19 considerations. Reported concerns included feelings of unreasonable, round-the-clock availability expectations for salaried employees, discrimination in hiring practices and aggressive verbal actions related to the use of masks at an operating facility.

One substantiated concern involved a bargaining unit employee whose job duties required a valid driver's license and whose license had been revoked in 2016. The employee and union had entered an informal agreement with management allowing this employee to continue to serve in his current role. During the COVID-19 response, this employee was not required to visit remote locations in the general public while other employees were compelled to fill overtime assignments. This raised a concern among certain employees about their potential increased COVID-19 exposure. Management entered into a formal Memorandum of Understanding with IBEW 2032 related to expectations and requirements for this employee on a going forward basis, which included obtaining the required driver's license. The employee will forego all overtime assignments that require offsite travel while he is unable to meet the driver's license requirements of his position.

COVID-19 Response Sample

At the outset of NYPA's COVID-19 response, NYPA/Canals engaged in a Gratitude Campaign for both employees and customers. The E&C Office provided guidance on the types

of content which could be high-lighted and disclaimer/release documentation required for participation in these public outreach campaigns.

In late March, an employee contacted the E&C Office to extend an offer of assistance from a relative who had a large supply of personal protective equipment available, if needed. The employee was referred to the ICT for either internal use or to provide his contact information to the state incident command team for its supply chain.

The ICT asked for an opinion regarding whether it would be appropriate to incentivize employees to take advantage of voluntary, free COVID-19 testing by offering raffle prizes. The E&C Office opined that this would be acceptable provided all employees were eligible and the raffle prizes be modest and directly related to the industry, like a smart home device or stainless-steel water bottle promoting environmental sustainability.

Several employees requested an opinion as to whether all employees were eligible to participate in and/or donate part or all of their work hours to assist other NY State agencies in their response to expanded critical, essential services such as the processing of unemployment phone calls and claims and volunteering to participate in contact tracing programs. The E&C Office viewed this re-directing of state resources to sister agencies as consistent with NYPA's shared mission to provide critical services to the state and people of NY.

In another example of multi-agency response to the COVID emergency, a NYPA employee and drone pilot assigned to work with the NYS Emergency Management Department was asked to provide aerial video footage of the remote testing site she had been assigned to work from temporarily. This footage was to be distributed to other local, state, and federal agencies involved in COVID-19 response activities to provide logistical assistance for planning purposes.

Financial Disclosure

The annual NYS Joint Commission on Public Ethics ('JCOPE') Financial Disclosure Statement ('FDS') filing deadline was postponed from May 15, 2020 to August 17, 2020. This change was communicated to all required participants in the program. FDS reminders were emailed to all FDS participants, including Trustees and external board members (i.e., EDPAB, NNYPAB, WNYPPAB). Countdown clocks were posted on NYPA and Canal's intranet homepages as reminders concerning the filing deadline.

The E&C Office developed an internal PowerNet page detailing the FDS program to assist participants with a centralized information resource. The site includes helpful instructions on managing the entire Financial Disclosure Statement process from establishing an online account to seeking an individual exemption.

The E&C Office facilitated approximately 20 individual exemption requests and will include a list of approved/denied titles on the FDS PowerNet page to inform future applicants' expectations for obtaining an individual exemption. Individual exemptions are granted or denied by JCOPE based upon the duties outlined in the applicant's job description.

Training and Outreach

The E&C Office recently began delivering mandatory JCOPE comprehensive ethics training classes via the virtual TEAMS meeting environment. This training is required of participants in the annual Financial Disclosure Statement program and must be delivered in a live, interactive setting. Delivery has been well received and interactive questions are managed by use of the chat function. This delivery method allows participants to maximize use of their time and provides verifiable participation through an instant download of participant names.

Professional Engineers requiring ethics continuing professional education ('CPE') credits are receiving 1.5 credit hours and certificates for participation in this training. This value-added service will save NYPA and Canals time and money by providing this training in-house and directly by the Chief Ethics and Compliance Officer. The E&C Office have provided 16 CPE certificates in its first two TEAMS based trainings.

The E&C Office forwarded a JCOPE reminder email to all employees about acceptable use of state assets during remote work periods. This and all communications and updates are posted on internal E&C Office intranet pages.

Compliance Reporting

The E&C Office successfully facilitated various departments' submission and posting of statutorily mandated reports required to be filed with elected officials and posted to the Public Authorities Reporting Information System and the NYPA and Canals' websites. NYPA and Canals' met the statutory reporting requirements while working remotely at the outset of the COVID-19 pandemic and did not require additional time made available to various State agencies and authorities. These reports comprise a comprehensive view into NYPA and Canals' finances, governance, organizational structure, operations, and strategy. These and other mandatory reporting and training requirements are captured in NYPA's electronic Compliance Repository. It is anticipated that they will be entered into the Governance, Risk and Compliance tool and mapped to identified internal controls and organizational risks.

The E&C Office recently developed and issued two mandatory compliance trainings, the Federal Energy Regulatory Commission Anti-Market Manipulation and Standards of Conduct, to all applicable stakeholders. These trainings reinforce NYPA's adherence to applicable regulatory requirements and support its robust compliance program."

ENTERPRISE RESILIENCE

"COVID-19 RESPONSE

NYPA and Canals are taking all necessary steps to ensure that they can perform their mission essential function of providing clean, reliable energy across the state, and safe navigable waters while keeping the health and safety of its employees at the forefront.

The COVID-19 Task Force, which was formed in January and comprised of members of Enterprise Resilience, Environmental, Health & Safety, Crisis Management & Physical Security, Law, Human Resources, and Risk will remain in place and is conferring regularly to answer any concerns of employees and to provide guidance and support to the Incident Command Structure ('ICS'). The COVID-19 ICS team continued to manage and implement all NYPA response efforts via daily section chief meetings (Operations, Planning & Implementation, Logistics and Administration, Finance and Health & Safety), daily ICS leadership meetings, and bi-weekly EMC briefings through June 12, 2020, with the COVID-19 Task Force assuming oversight responsibilities on June 13.

During the reporting period, a significant focus included the design and implementation of strategies for 'return to the new normal' including return to work guides for NYPA/Canals, testing program development, spread rate monitoring/contact tracing, and tracking and procuring critical supplies.

RELIABILITY STANDARDS COMPLIANCE (RSC)

BACKGROUND

Background information related to the origin of the North American Electric Reliability Corporation ('NERC') mandatory standards for reliability and NYPA's obligations to demonstrate compliance with the standards has been presented in previous reports to the Governance Committee.

DISCUSSION

In May, NERC and FERC issued guidance on the handling of potential noncompliance related to COVID-19. It introduces a temporary expansion of the Self-Logging Program in order to assist registered entities and the ERO Enterprise with the efficient reporting of potential noncompliance with minimal or moderate risk related to the ongoing coronavirus crisis.

NERC Reliability Standards Compliance Enforcement Actions

During the reporting period, there were three (3) new potential noncompliance concerns of the NERC Reliability Standards reported to the Northeast Power Coordinating Council ('NPCC').

1. PRC-026-1 Relay Performance During Stable Power Swings: Requirement 2 requires NYPA to, within 12 full calendar months of notification of a BES Element pursuant to Requirement R1, determine whether its load-responsive protective relay(s) applied to that BES Element meets the criteria in PRC-026-1 – Attachment B. The investigation team determined that this event is a potential noncompliance.
2. PRC-004-5(i) Protection System Mis-operation Identification and Correction: NYPA as a Transmission Owner and Generator Owner owns a BES interrupting device that operated under the circumstances in Parts 1.1 through 1.3 shall, within 120 calendar days of the BES interrupting device operation, identify whether its Protection System component(s) caused a Mis-operation. Thus, the investigation team determined that one (1) event did not satisfy the 120-day requirement to determine if a Mis-operation occurred and therefore, is a potential noncompliance.
3. CIP-011-2 Cyber Security — Information Protection: NYPA staff did not follow the published NYPA Information Protection program by requesting a formal review of the document to obtain a classification prior to sending the document to personnel who are not authorized to possess CSI. The investigation team considered the investigation fact-finding and determined this incident did result in an instance of potential noncompliance of NERC CIP Standard.

These potential noncompliance concerns were determined to be of minimal impact to the Bulk Electric System ('BES'). As such, RSC reported these to NPCC under the self-logging process and this was confirmed by NPCC. These minimal impact violations were processed as Compliance Exceptions and did not result in any penalties.

Investigations of Potential Noncompliance

During the reporting period, RSC reviewed five (5) investigations of potential noncompliance of the NERC Reliability Standards. Three (3) investigations resulted in a determination of potential noncompliance and are being reviewed by NYPA Leadership. Two (2) investigations are under review and pending a final determination.

This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program.

Critical Infrastructure Protection (CIP) and Operations & Planning (O&P) Audit Preparation

NYPA is scheduled for an onsite O&P and CIP audit in 2021. The tentative date for these regulatory audits, which are conducted by NPCC, is scheduled for September 20 – 24, 2021. In an effort to ensure a successful outcome, RSC, with the support of Operations Senior Management, will begin executing audit readiness efforts. RSC will rely on support from various Compliance Evidence Managers, subject matter experts and site staff.

NERC Alerts

NERC disseminates information that it deems critical to ensuring the reliability of the bulk power system via 'alerts' designed to provide concise, actionable information to the electric industry. During the reporting period, there was one (1) NERC alert sent to industry.

In July 2020, in light of Executive Order ('EO') 13920, 'Securing the United States Bulk-Power System,' NERC issued a Recommendation to Industry to gather extent-of-condition information in order to better estimate the risk of installed bulk power system ('BPS') electric equipment manufactured or supplied by certain foreign entities of concern. In order to accurately respond to the NERC alert for Supply Chain Risk by mid-August, a task force comprising of SSM, NYPA projects, Engineering, Asset Management and Enterprise Resilience was established to identify NYPA's installed BES asset fleet and risk management practices. The alert queried on country of origin and risk management practices for procuring Electrical equipment and a response was submitted in August 2020.

Risk-Based Evidence Management Program

RSC implements a Risk-Based Evidence Management Program for identifying areas of risk and appropriate frequency for evaluation of and compliance evidence updates for the NERC Reliability Standards applicable to NYPA. This process ensures that NYPA's compliance program aligns with NERC's risk-based Compliance Monitoring and Enforcement Program and the NPCC guided self-certification process. In 2020, RSC will review and update the evidence for fourteen (14) NERC Reliability Standards that are applicable to NYPA's NERC registrations. To date, RSC has reviewed and updated the evidence for eight (8) NERC Reliability Standards that are applicable to NYPA's NERC registrations and there were no findings of noncompliance.

Self-Certification of Compliance

NYPA as an NPCC Full Member Functional Entity, on May 20, 2020, submitted a Self-Certification of Compliance with NPCC Regional Reliability Reference Directory #4 Bulk Power System Protection Criteria R1 and R2. RSC determined that NYPA is in compliance with NPCC Directory #4 for the self-certification period.

Bulk Electric System (BES) Definition

RSC is working with NYPA's Business Development team to determine compliance scope for the new 'AC proceedings' and 'Battery Storage' projects. The 'AC Proceedings' project has the potential to expand NYPA's NERC registered functions to include Transmission Operator ('TOP'). Discussions took place with NYISO in early 2019 and NYISO verbally agreed to assume TOP responsibilities for the proposed Segment A of the AC transmission project. The TOP and Transmission Planning obligation will be formally documented (as part of existing MOUs between NYPA and NYISO) as the project progresses.

RSC is collaborating with Operations Portfolio Management group to better integrate compliance activities associated with new projects into its Utility Operations Project Portfolio ('UOPP') process. This includes finalization of the site turnover checklist.

NERC Operations and Planning (O&P) Standards

During this reporting period, as part of NYPA's NERC registered function, two (2) O&P Standards [PRC-002-2 and PRC-026-1] became enforceable. RSC is working with NYPA's business stakeholders to develop internal controls to ensure compliance for these newly enforceable Standards.

RSC is coordinating with the Protection & Control group to establish periodic compliance check-in, governance/internal controls development and enforcement to ensure NERC compliance within the NERC Protection and Control ('PRC') Standards.

As RSC strives to continuously improve NYPA's internal processes and reinforce understanding amongst staff, there are enhancements related to Transmission Planning governance that are being addressed. As part of Risk-Based evidence reviews conducted by RSC, it has been observed that internal controls such as Procedures and Support Documents around NYPA Transmission Planning's role in some key technical areas can be matured. RSC is collaborating with Transmission Planning to enhance existing internal controls and ensure compliance with existing and future enforceable NERC Transmission Planning Standards.

NERC Critical Infrastructure Protection (CIP) Standards

The CIP-013 Supply Chain Risk Management Program has been successfully implemented and system changes went live on June 1, 2020. To date, no issues have been identified post Go-live. RSC staff will continue to work with stakeholders to monitor transactions, focus on training and change management, conduct an independent review of evidence generated by the new processes with Deloitte and will eventually transition to an oversight role by the end of Q3 2020.

RSC is coordinating with Cyber Security and Operations Technology to comment on FERC's Notice of Inquire ('NOI') on 'Potential Enhancements to CIP.' The NOI is seeking to address cybersecurity risks pertaining to data security, detection of anomalies and events, and mitigation of cybersecurity events. The team is also reviewing the FERC issued whitepaper that proposes incentivizing utilities for cyber investments beyond CIP standards.

RSC continues to initiate internal discussions on the new CIP-012 reliability standards with stakeholders. CIP-012-1 - Cyber Security Control Center Communication Networks is intended to protect confidentiality and integrity of data transmitted between Control Centers required for reliable operation of the Bulk Electric System ('BES').

Control Center Classification

In mid-2018, NPCC determined that for consistent Electric Reliability Organization (ERO)-wide implementation of the CIP standards, the BES Cyber Systems located at various NYPA control rooms that are currently categorized as Medium Impact should be categorized as High Impact BES Cyber Systems. NYPA will reassess its Bulk Electric Cyber Systems ('BCS') located at Niagara, St. Lawrence, and BG control rooms as High Impact. NYPA and NPCC agreed to a phased-in implementation plan to implement additional cyber security controls at these locations.

In July, NYPA met the final regulatory milestone to bolster security controls at Niagara, STL, and BG Control rooms up to the NERC CIP 'High Impact' requirements. Several activities were conducted under this project including installation and roll-out of multi-factor authentication

at access points, establishment of test environments, enhanced cyber security controls and, in some cases, network reconfiguration/redesign in order to better protect against physical and electronic threats.

ENERGY SECURITY & RESILIENCE PROGRAMS (ESRP)

During the reporting period, the ESRP team continued activities to improve NYPA's Business Unit Business Continuity Plans ('BCPs'), including the development of program governance (policy and procedures), development of complete drafts of each Business Unit BCP (all are in e-Scribe review cycle), and hosting a kick-off meeting with Accenture to enhance the site BCPs in line with improvements made to Business Unit BCPs.

The ESRP team is taking a lead role in developing NYPA's Strategic Supply Chain improvement activities in response to, and preparation for, the Executive Order on Securing the US Bulk Power System. The team hosted several working sessions with partners in Strategic Supply Management. The team also participated in multiple external meetings (ESCC, APPA, NATF, etc.) and internal stakeholder meetings to set the stage for strategic, long-term success. A preliminary assessment is underway (lead by Code Compliance) on transformers installed in the Western Region that were sourced from China. ESRP is also collaborating with stakeholders to evaluate and develop responses to a Request for Information from the Department of Energy, and an Alert from the North American Electric Reliability Corporation.

The ESRP team continues with their efforts to establish an Insider Threat Program. The team, in collaboration with other internal stakeholders, participated in kick-off meetings with EPRI to confirm the approach and activities to be implemented in September. The ESRP team has also established a weekly Insider Threat Program meeting with a cross-section of NYPA stakeholders that will be involved in the program, moving forward."

PHYSICAL SECURITY AND CRISIS MANAGEMENT

In response to the COVID-19 outbreak Crisis Management, along with EH&S, Legal, HR and Enterprise Resilience collaborated to develop and implement a proactive and preventative NYPA response. A monitoring team, which Crisis Management is chairing has been established and updates are being provided. To date, Crisis Management continues to provide support to the NYS DHSES ICS structure. The ESF1 requirements in support of COVID-19 Testing have decreased. Meetings are now three (3) times weekly and we are supporting virtually. There is still a steady stream of one-off requests, for example warehouse support to offload pallets of hand sanitizer.

During this reporting period, Physical Security & Crisis Management, in collaboration with a number of internal partners, completed the working draft of the COVID-19 2nd Wave Planning document. Also, Physical Security and SSM have completed the review of the bid event for NYPA's Background Screening service provider. A purchase order has been issued.

Physical Security participated in the FERC Dam Sector Quarterly Meeting and representatives from Physical Security, OT Site Security & Crisis Management participated in the August 2020 FERC Dam Sector Security Drill. This exercise was conducted virtually and presented the attendees with a complex scenario which included physical and cyber incidents as well as intelligence and information sharing incidents."

ENVIRONMENTAL, HEALTH & SAFETY Compliance Audit

"Working closely with Internal Audits ('IA') the Environmental, Health & Safety ('EH&S') Compliance Audit Program was transition from Enterprise Resilience to IA. EH&S is developing a new 3-5-year EHS Compliance Audit Value Contract for 2021. EH&S compliance audits are scheduled at Brentwood in September and CEC in October.

EH&S continues to oversee the 2020 Annual Crane Inspections NYPA-wide. The Annual crane inspections were completed at Flynn, 500 MW, BG, Crescent, Vischer Ferry, EDTO, NTO and Dolson during this reporting period. The Annual and the Below the Hook inspections for Niagara, St. Lawrence and CEC are scheduled for this fall.”

CODE COMPLIANCE

Code Compliance is completing an update of the Code Program for NYPA/Canals which is expected to be rolled out in 2021Q1. It will continue to be a single program for both entities that has taken the needs of both into consideration. There has been a continued emphasis of compliance in Canals that continues to improve.

The new Level 2 KPI for annual safety inspections with a target of 90% by the end of the year continues for NYPA officially, and informally for Canals. As of August, the annual fire safety inspection certificates for NYPA is at 53% and Canals is at 87% - good progress is being made post COVID-19 pause. The Q3 target is 81% which has already been met by Canals and is expected to be met by NYPA.

New program to monitor compliance with Uniform Code required Inspection Test and Maintenance (‘ITM’) of existing buildings has been developed with a pilot rollout at CEC in this fall.”

6. **Next Meeting**

The next regular meeting of the Governance Committee is to be determined.

Closing

Upon motion made by member John Koelmel and seconded by member Tracy McKibben, the meeting was adjourned by the Chair of the Committee at approximately 12:04 p.m.

Karen Delince

Karen Delince
Corporate Secretary

September 23, 2020

EXHIBITS

For

September 23, 2020

Joint Governance

Committee

Meeting Minutes



**NY Power
Authority**

**Canal
Corporation**

Ten Point Racial Justice and Equity Plan

Nancy Harvey

Director, Office of Civil Rights & Inclusion

September 23, 2020

Racial Justice and Equity Plan

New York Power Authority and Canal Corporation are committed to leading an organization that is diverse, equitable and inclusive. The plan exemplifies NYPA's commitment to Diversity Equity and Inclusion (DEI) and extends beyond the workplace to have a holistic plan that incorporates 3 departments:

Office of Civil Rights & Inclusion (OCRI)

Fosters an inclusive culture and promotes a diverse and engaged workforce

Supplier Diversity Program

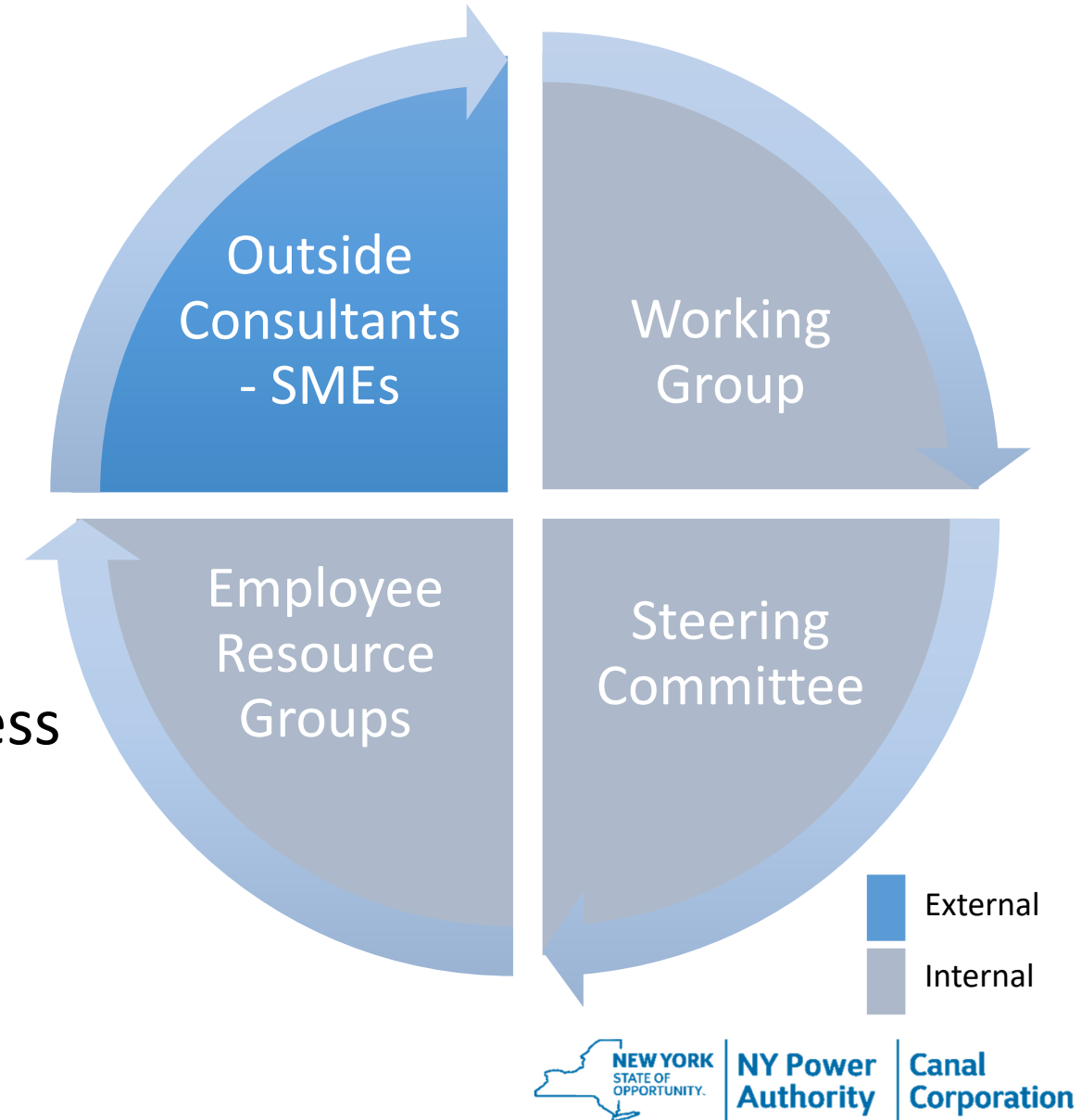
Promotes and increases the participation of minority and women owned businesses in the supply chain

Environmental Justice

A source for good in neighboring underserved communities

Stakeholders – At The Table

- The Executive Office and OCRI lead a several teams consisting of a staff working group, outside experts and a leadership steering committee.
- The working group consulted 53 members of staff throughout the process across business units.



The Office of Civil Rights and Inclusion

Established in 2017, OCRI developed a D&I plan that focused on employee engagement and education in order to build a critical mass of champions as a precursor to embedding future DEI programs successfully. The DEI strategy focused on 3 areas in alignment with industry best practices:

Build an Inclusive Workforce

- Created six Employee Resource Groups (ERG) sponsored by EMC
- 369 core ERG members
- Coordinated 40 ERG events with attendance of over 1,000 employees each year

Leadership Accountability

- Hosted senior leadership briefings and training on DEI
- Consulted DEI experts in the field
- Demonstrated leadership commitment to DEI through actions

Recruitment and Development

- Partnered with Recruitment to develop programs
- Partnered with Environmental Justice & Sustainability on mentorship program
- Trained over 2,000 Canals and NYPA staff on DEI

Diversity Equity and Inclusion Commitments

The recommendations for the DE&I plan focus on three themes:

Accountability

- DE&I Audit
- DE&I and ERG Policy
- Scorecard and KPIs
- EMC/leadership review
- Diversity in NYPA Values

Transparency

- Career Path Framework
- AAO and ER Process clarity
- Mentoring Program
- Policy review
- Career Development Plans

Education

- Unconscious Bias, Bystander/Upstander, Anti-racism training
- AAO and ER process

Diversity Equity and Inclusion Outcomes

- A workforce that represents the communities in which we live and work
- An organization whose culture, behaviors and actions demonstrate that diversity, equity and inclusion are a priority
- Employees and leaders who are educated and accountable for upholding DE&I principles
- Transparent policies, programs and practices that allow employees to achieve their fullest potential

Incremental Investment Over Three Years: \$2.665M



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Supplier Diversity Program

Victoria Daniels

Manager Supplier Diversity

September 23, 2020

Supplier Diversity Overview

Background

- **NYS Executive Law Article 15-A §§310-317** governs the requirements for the participation of minority and women-owned businesses (MWBE) in NYS contracting.
- On 7/15/2019 **Governor Cuomo signed legislation reauthorizing the law** through 12/31/2024 including enhancements to further benefit NYS certified MWBE businesses.

NYPA's Supplier Diversity Program

- Established in 1983.
- Awarded **over \$1B** through direct awards and subcontracting to MWBE's to date.
- In FY1819 NYPA and Canals **MWBEs spend totaled \$88.9M.**
- Organized regional **Supplier Outreach events** in 2019 yielding over 70 exhibitors, 230 companies, and 360 participants.
- Developed Supplier Training Webinars



Compliance

Tracking of
payments to
MWBE's



Regulatory Reporting

to Empire
State
Development



Outreach/ Education

about
NYPA/Canals
Open
Procurements



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Supplier Diversity Commitments

While the Program **continues** to be successful, more can be achieved to increase MWBE participation. The program will focus on the following 3 categories with 11 goals:

BUILD CAPACITY

- Progress **Mentor Protégé Program**
- Develop internal and external **communication roadmap**
- Align with organizational **DEI message**
- Increase **supplier outreach**
- Provide **education and training** to suppliers and staff
- Enhance **organizational branding** around diverse supply chain

REDUCE BARRIERS

- Implement **Surety Bonding Program**
- Modify **Procard policy** to prioritize MWBE suppliers
- Simplify contract **Terms & Conditions** for low risk projects

METRICS

- Establish **Departmental Goals/KPI's**
- Establish **Corporate Goals**

Supplier Diversity Outcomes

Projected Results

- ✓ **Grow** the number of MWBE suppliers supporting NYPA/Canals
- ✓ **Increase** MWBE spend
- ✓ **Strengthen** NYPA's brand as an organization that encourages a diverse supply chain
- ✓ **Enhance** internal and external communications

- ✓ **Foster** networking opportunities between qualified personnel and MWBE firms
- ✓ **Expand** Supplier outreach and education
- ✓ **Increase** bidding and awards of diverse firms
- ✓ **Establish** departmental and corporate MWBE goals with KPI's
- ✓ **Streamline and update** policies and procedures

Incremental Investment

Program development, communication & marketing, staffing, and education totaling \$1.06M



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Environmental Justice Program

Kaela Mainsah

Senior Manager Environmental Justice

September 23, 2020

Environmental Justice Overview

NYPA's Environmental Justice (EJ) program is driven by our commitment to always be a good neighbor to the historically disadvantaged and marginalized communities located near our statewide facilities. NYPA leverages its expertise in energy and energy technology to provide no-cost programs and services that meet the unique needs of our communities.



STEM Education



Community Energy
Literacy



Community Outreach
and Advocacy



Energy Efficiency
Projects

Environmental Justice Commitments

**Increasing the pipeline of
utility and clean energy
workers of tomorrow**

- PTECH Scholars Program
- Future Energy Leaders Scholarship Program

**Community service program
that ensures employees can
contribute to NYPAs
underserved communities**

- EJ Community Service Corps

Environmental Justice Outcomes

PTECH

- Increased number of students of color who pursue studies and careers in the utility industry

SCHOLARSHIP

- Increased numbers of students from NYPA's EJ communities who will be able to pursue an advanced degree in STEM
- Decreased financial burden associated with achieving an advanced STEM degree

COMMUNITY CORPS

- Expanded staff education
- Creation of an enterprise wide employee service program dedicated to understanding racial justice
- Increased benefits for NYPA's neighbors

Total 3 Year Incremental Investment for Initiatives - \$1.275M

Racial Justice and Equity Program Approval

Resolution - The New York Power Authority and Canal Corporation requests that the Governance Committee approve the Authority's Ten-Point Racial Justice and Equity Plan to achieve the deliverables and outcomes with an incremental investment of \$5M over a 3-year period (2021-2023)

Office of Civil Rights and Inclusion	\$2.665M
Supplier Diversity (MWBE Program)	\$1.06M
Environmental Justice Program	\$1.275M

Appendix



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Commitments and Associated Outcomes

Reaffirm NYPA's commitment to building and maintaining a diverse, equitable and inclusive culture

Deliverable	Outcome
Corporate values the include diversity, equity and inclusion	Standards that represent the culture, behaviors and actions of an organization that deems diversity, equity and inclusion as a priority
Including Diversity Equity & Inclusion into the Vision 2030 Strategy	Demonstrates the commitment to diversity, equity and inclusion in NYPA's strategy and priorities
Diversity Equity & Inclusion Communication Strategy Document & RoadMap	Communication Strategy that informs and educates internal and external stakeholders of NYPA's Diversity Equity & Inclusion initiatives and activates individuals to put Diversity Equity & Inclusion principles into practice
Establish a Diversity Equity & Inclusion Policy	Principles to guide decisions and achieve Diversity Equity & Inclusion in NYPA's programs, processes and culture
Charter for Diversity Equity & Inclusion Steering Committee	An expanded cross-functional team, including subject matter experts, and mandate to will review and track the progress of the DE&I plan, report on DE&I initiatives, and make recommendations

Ensure that NYPA processes, policies and procedures are transparent and free from bias

Deliverable	Outcome
Diversity Equity & Inclusion Audit Report	Benchmarks and analysis that will inform/shape our strategy and recommendations on ways to become more diverse and inclusive
Affirmative Action Officer (AAO) processes improvements and training	Transparency around the investigatory process for AAO complaints so employees know how their complaints are processed and what to expect if they are involved in an investigation
Employee Resource Group Policy	Formalize governance for Employee Resource Groups (ERGs) to allow employees to take greater ownership and reap the benefits of Employee Resource Groups
Office of Civil Rights & Inclusion Scorecard	Annual marker of progress for underrepresented groups/key EEO-4 categories and equity indicators
Workforce Diversity Analytics Report	Review of programs, data and analytics will track the progress of DE&I initiatives and hold leadership accountable to respond to findings
Revised Recruitment and Job Posting Policy and communication	More transparency around the process surrounding the selection of candidates improves trust and understanding of career development needs
Create a career path framework	Transparency and clarity around career development and opportunities.

Expand ongoing training to our employees on antiracism, unconscious bias, microaggression and cultural competency

Deliverable	Outcome
Neuroscience of Bias Training Modules	Employees are educated about breaking bias – identifying and mitigating bias in employment activities
Bystander/Upstander Training Module	Employees and leaders are educated on their responsibility to respond and intervene in scenarios involving workplace discrimination
Anti-Racism Training Module	Improved understanding on the history of racism and its ongoing effects
Emotional Intelligence Training -	Equipping middle managers with the appropriate tools to manage teams effectively and understand the needs of their employees

Create a Chief Diversity, Inclusion and Equity Officer position, reporting to the President and CEO and to the Chief Human Resources and Administration Officer - and increase investment in the office of Civil Rights and Inclusion

Deliverable	Outcome
Appointment of a Chief Diversity and Inclusion Officer and hire additional staff and consultants to support the development and roll out of the programs	Successful Implementation of Diversity Equity & Inclusion Program and 10 Commitments through the elevation of Chief Diversity, Inclusion and Equity Officer and increased involvement of President & CEO in Diversity Equity & Inclusion issues.

Invest in our Black employees and create pathways for career development and upward mobility

Deliverable	Outcome
Increase communication and outreach to staff and leadership to encourage and support participation in NYPA's mentoring program	Increase participation of Black and African American and underrepresented employees in NYPA's formal mentoring program. The program will guide mentors to provide coaching and experiences and actively engage mentees to develop skills and actively manage their present and future career goals.
Ensure custom career development plans are created for each employee through tracking, coaching and leadership oversight	Specific and measurable development plans for each employee that factors current and future opportunities and provides stretch assignments

Cast a wider net and secure a diverse slate of applicants for vacancies by partnering with professional organizations such as the American Association of Blacks in Energy, Historically Black Colleges and Universities and local and national colleges and universities

Complete and implement the communications plan for refreshing NYPA's digital and social presence to showcase NYPA's diverse workforce and culture	Digital presence showcases the diverse vision and talent at NYPA, leading to an increase in applications from diverse talent
Modify NYPA's applicant tracking system to have applicants answer a question regarding race/ethnicity	The number of diverse applicants applying to positions will identify gaps in the pipeline and allow for targeted outreach solutions
Increase postings of relevant vacancies to the established list of Black/African American and diverse job boards, schools and professional associations	An increase in posting to diverse outlets should increase the number of diverse job applicants

Partner and support our employee unions at the national, regional and local levels and invest in their diversity, equity and inclusion programs and initiatives

Engage the unions and discuss ways to diversify and promote inclusion in the workforce.	Union participation in NYPA's Diversity Equity & Inclusion Initiatives and greater diversity in union ranks
-----------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

Leverage NYPA's experience, resources and purchasing power to build capacity and access to MWBE firms

Deliverable	Outcome
Establishment of a Mentor-Protégé Program	Create a Mentor-Protégé Program that results in the following: 1) Capacity building of current diverse suppliers who can work on NYPA/Canal projects 2) Increase relationship building of current and future Prime Contractors and future pipeline employers for NYPA Mentor Protégé Program / Internship and P-Tech Program
Communication Strategy Document & RoadMap for Supplier Outreach, Supplier Education and a Program Newsletter	Strengthen NYPA's brand as a diverse organization that welcomes and encourages a diverse supply chain through enhanced internal and external communications, outreach and education
Create a Surety Program	Roll out a program that helps diverse firms qualify to secure bonding/capital access in to order to increase capacity of firms that can work as a Prime Contractors on NYPA/Canal projects.
Develop departmental Supplier Diversity Goals, business partners for each business unit and training module for first line supervisors	Increased spending with diverse firms through the establishment and tracking of Diversity Goals and Key Performance Indicators for each Business Unit and increased staff accountability for Supplier Diversity goals.
Establish measurable Corporate Supplier Diversity Key Performance Indicators	Definitive goals and Key Performance Indicators that will provide accountability and visibility into success of program
Identify purchasing opportunities where Discretionary Spend can be used throughout the organization	Site Managers and Business Units identify opportunities and areas where Discretionary Spend Purchases can be made. SDP provides assistance in helping them source diverse suppliers/Increased use of new and diverse suppliers into NYPA/Canal supply chain
Update terms and conditions of procurement agreement for alignment with work being performed	Increased bidding and awards of diverse firms; fewer single and sole source awards
Revised and or new policy NYPA & Canal Credit Card Policy for purchases under \$5,000	Increased spend with diverse firms
Revision of Procurement Policy	Diverse firms gaining a better understanding of their shortcomings; therefore future bids can be improved
Revision of Procurement Policy and Development of a Standard Diverse Firm Bidders List	Updated Policy/Outreach to diverse firms prior to bid posting will create a greater chance of diverse firms bidding on opportunities
Organizational Pipeline Networking Mentoring Roadmap	During the bid review bidders would receive points for participating in a NYPA Mentor Protégé Program /Provide a future pipeline of employers for NYPA Mentor Protégé Program/Internship and P-Tech Program

Broaden our community-based STEM, student internship and mentorship programs to increase the pipeline of utility and clean energy workers of tomorrow – including the creation of a targeted college scholarship program

Deliverable	Outcome
Establish NYPA's P-TECH Scholars Program that ensures students in NYPA's Environmental Justice host communities have a pathway to careers in the utility industry	Development and execution of NYPA's P-Tech program resulting in an increased number of minority students who pursue studies and careers in the utility industry and a three-year implementation plan that includes specific and measurable goals for: <ol style="list-style-type: none"> 1. P-TECH Scholars enrolled in the program (including curriculum and calendar of engagements). 2. NYPA Trained and vetted employees participating in mentorship component 3. Internship placements at NYPA
Establish the NYPA Future Energy Leaders Scholarship Program	The development of industry and educational partnerships to award 5 regional scholarships each to students in NYPA's EJ Communities

Create an enterprise wide employee service program dedicated to understanding racial justice through our clean Employee Resource Group business (e.g. community solar) and Employee Resource Group sustainability work in environmental justice communities

Deliverable	Outcome
To establish a NYPA Environmental Justice Community Service Corp which will create opportunities for NYPA employees to volunteer time for community service initiatives in Environmental Justice communities.	Development of a workplan which will include: a comprehensive monthly calendar of volunteer opportunities, establish of community partner programs, the creation of staff participation protocols and possibly revamping the existing paid volunteer policy to include the NYPA Environmental Justice Community Service Corp.



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NYPA PROCUREMENT CONTRACTS SUMMARY **January - June 2020**

In accordance with the NYPA Guidelines for Procurement Contracts, “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 (including Canal Corporation), operations and maintenance and capital projects, including but not limited to, goods and commodities, major electrical equipment, construction, maintenance work and other services.

The following is a summary of all procurement contracts including multi-year contracts awarded through June 30, 2020. These contracts have been active during 2020 and are \$5,000 or greater in value. There were 1,863 such contracts with an estimated value of more than \$6.7 billion, not including fossil fuel or corporate finance expenditures covered in Sections 5b i-E and 5b i-F of this report, respectively. Total procurement expenditures in 2020 exceeded \$341 million.

The following is a breakdown of the total number of active contracts, excluding fossil fuel and corporate finance contracts, by contract type:

- 9% Construction services;
- 30% Equipment and Commodities;
- 6% Architectural and Engineering services;
- 2% Legal services;
- 20% Personal Service contracts such as professional consulting services; and
- 33% Non-Personal Service contracts such as maintenance, technicians, and contingent workforce

Based on the total value of the contracts included in this summary (\$6.7 billion), approximately 99.3% (\$6.6 billion) was competitively bid and 0.7% (\$49.6 million) were sole/single-source awards, which included over \$930 thousand in Minority- and Women-owned Business Enterprises (MWBES), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

POWER AUTHORITY OF THE STATE OF NEW YORK

JANUARY - JUNE 2020 REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by the Authority
LARGE QUANTITY OF ELECTRICAL EQUIPMENT & HARDWARE	AUCTIONS INTERNATIONAL	\$ 11,100.00	\$ 11,100.00
SUBTOTAL:		\$ 11,100.00	\$ 11,100.00

JANUARY - JUNE 2020 REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED by the Authority
**No sales or transfers				
FLEET SUBTOTAL:		\$ 0.00	\$ 0.00	\$ 0.00
+ SUBTOTAL Page 1:		<u>\$ 11,100.00</u>	--	<u>\$ 11,100.00</u>
GRAND TOTAL:		<u>\$ 11,100.00</u>	\$ 0.00	<u>\$ 11,100.00</u>

Exhibit 5b-B

September 23, 2020

SUPPLIER DIVERSITY PROGRAM (SDP)
January 1, 2020 – June 30, 2020

From January 1, 2020 to June 30, 2020 the Authority and the Canal Corporation expended \$40.6 million of its reportable expenditures to New York State-certified MWBEs. This includes direct contracts and subcontracts, as well as construction and energy efficiency-related work. Additionally, Treasury transactions with NYS-certified MWBE financial dealers for the same period resulted in \$ 276.9 million in principal sales and purchases for the Authority.

The Authority exceeded its MWBE 2019 goal of 22%, by obtaining 24%, and believed it was appropriate and attainable to increase the MWBE 2020 goal to 23%. We submitted a 2020 MWBE goal of 23% and then COVID-19 pandemic struck forcing a suspension of most work across NYS. We are working with Empire State Development along with other agencies to adjust our goal considering current circumstances.

Service-Disabled Veteran-Owned Business (SDVOB) utilization for the period January 1, 2020 to June 30, 2020 is approximately \$ 1.9 million of designated spend. Additionally, SDVOB financial dealers transacted over \$106.4 million in principal sales and purchases during the same period.

The decreased spending in MWBE and SDVOB categories is attributed to the COVID-19 pandemic during the suspension of work from mid-March throughout June. However, increased spend and compliance reporting is anticipated with diverse firms and small businesses in the upcoming months as work begins to resume.

SDP is planning virtual events for Western New York, North Country, Capital Region & Southern Tier, as well as specialized and focused events for IT, SDVOB and WBE for the next 6-12 months. SDP recognizes that all suppliers have been severely impacted by the COVID-19 pandemic, and we are seeking additional opportunities to strengthen our relationships and networking with them throughout the communities they serve. There is a concerted effort to ensure we are meeting the needs of our internal and external customers. The goal is to offer educational opportunities in tandem with networking and match-making events to provide diverse suppliers the tools to learn about our procurement needs, bid on our projects and grow their businesses.

INVENTORY STATISTICS
June 30, 2020

Facility	6/30/20	6/30/19	6/30/18
Niagara	18,152,746	17,686,390	17,595,593
St. Lawrence	17,128,106 ^(A)	16,156,197	15,515,879
Poletti Project	12,512,259	12,262,717	12,332,051
Flynn Project	8,680,298	8,232,581	8,153,792
Blenheim-Gilboa	11,819,161 ^(B)	10,056,510	9,753,402
500 MW Project	29,202,814 ^(C)	27,899,659	27,397,902
Clark Energy Center	6,868,980	6,641,223	6,459,245
Canal Corporation	1,068,716	816,343	784,749
Total Stock Value	\$105,433,080	\$ 99,751,620	\$ 97,992,613

(A) 2020 Includes \$665K for STL net purchases of:

Stationary Rotor Rim Keys	\$ 88K
Rotor Pole Keys	\$ 577K

(B) 2020 Includes \$926K for B-G net purchases of:

GMCB Covers, Contacts, Nozzles, O-rings	\$ 126K
GMCB Rebuild Kit	\$ 105K
Mach Industrial Computers	\$ 238K
ABB Arcing Chamber, Motor, HECS Kit, etc.	\$ 281K
Hitachi Electrode	\$ 176K

(C) 2020 Includes \$812K for 500 MW net purchases of:

GE Actuators	\$ 217K
GE Actuators	\$ 176K
Fans, Motors, Screens	\$ 294K
Dampers	\$ 125K

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - JUNE 2020**

**Exhibit 5b-E
September 23, 2020**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2020	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-1990-33	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1		N	N		\$16,905,770	\$16,905,770	\$349,242	\$0	4/1/1994	O	3/31/2019	3/31/2024
FD-1990-34	Northville Industries Corp. NIC 25 Melville Park Road Melville NY 117470398	Oil Storage Agreement	E	1		N	N		\$5,033,961	\$5,033,961	\$90,055	\$0	10/1/1993	O	3/31/2019	3/31/2024
FD-2002-11	PSEG EnergyResourcesTrade 80 Park Plaza Floor T-19 Newark NJ 07102	NAESB Agreement for Natural Gas	E	B		F	N	32	\$11,017,721	\$11,017,721	\$0	\$0	11/1/2002	O	*	
FD-2003-09	J. Aron and Company 85 Broad Street New York NY 10004	NAESB Agreement for Natural Gas	E	B		N	N	32	\$83,241,402	\$83,241,402	\$0	\$0	4/22/2003	O	*	
FD-2003-10	BP Energy Company 201 Helios Way Houston TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32	\$221,828,649	\$221,828,649	\$0	\$0	10/1/2004	O	*	
FD-2003-12	Exelon Generation Company, LLC 1310 Point Street Baltimore MD 21231	NAESB Agreement for Natural Gas	E	B		F	N	32	\$68,388,236	\$68,388,236	\$150,188	\$0	6/9/2003	O	*	
FD-2003-14	Colonial Energy Inc. 3975 Fair Ridge Drive Fairfax VA 22033	NAESB Agreement for Natural Gas	E	B		F	N	32	\$519,827,982	\$519,827,982	\$143,347	\$0	7/1/2003	O	*	
FD-2003-15	Virginia Power Energy Mktg P.O. Box 25773 Richmond VA 23260	NAESB Agreement for Natural Gas	E	B		F	N	32	\$629,265,426	\$629,265,426	\$0	\$0	7/11/2003	O	*	
FD-2004-08	Shell Energy North America (US), L.P. 1000 Main Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	\$84,192,427	\$84,192,427	\$0	\$0	4/1/2004	O	*	
FD-2005-12	NJR Energy Services Co 1415 Wyckoff Road Wall NJ 07719	NAESB Agreement for Natural Gas	E	B		F	N	32	\$484,000,420	\$484,000,420	\$1,240,578	\$0	9/1/2005	O	*	
FD-2007-10	Eastern Generation, LLC 18-01 20th Avenue Astoria NY 11105	Oil Delivery Labor Fees	E	1		N	N		\$60,771	\$60,771	\$0	\$0	7/1/2006	O	*	
FD-2008-05	Sequent Energy Mgmt LP 1200 Smith Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	\$38,857,713	\$38,857,713	\$85,001	\$0	3/1/2008	O	*	
FD-2008-06	Macquarie Energy LLC 500 Dallas Street Houston TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	\$47,096,447	\$47,096,447	\$0	\$0	7/1/2008	O	*	
FD-2019-07	Con Edison 4 Irving Place New York NY 10003	LDC Agreement	E	1		N	N		\$3,381,803	\$3,381,803	\$1,734,957	\$0	07/01/19	O	6/30/2022	
FD-2008-10	United Energy Trading, LLC 215 Union Boulevard Lakewood CO 80228	NAESB Agreement for Natural Gas	E	B		F	N	32	\$159,002,299	\$159,002,299	\$0	\$0	11/19/2008	O	*	
FD-2019-02	Castleton Commodities Mercant Trading LP 2200, Atlantic Street, Stmford, CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32	\$18,412,479	\$18,412,479	\$4,349,875	\$0	02/08/19	O	*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - JUNE 2020**

**Exhibit 5b-E
September 23, 2020**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	O P A	M W B E	I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2020	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2009-07	Conoco Phillips Company 600 North Dairy Ashford Houston TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32	\$45,975,968	\$45,975,968	\$181,952	\$0	5/1/2009	O	*	
FD-2009-08	NextEra Energy Power Marketing, LLC 700 Universe Blvd Juno Beach FL 33408	NAESB Agreement for Natural Gas	E	B		F	N	32	\$15,843,232	\$15,843,232	\$16,555	\$0	12/1/2009	O	*	
FD-2010-02	ENSTOR Energy Services, LLC 20329 State Highway 249 Houston TX 77070	NAESB Agreement for Natural Gas	E	B		F	N	32	\$37,442,338	\$37,442,338	\$0	\$0	8/9/2010	O	*	
FD-2011-06	EDF Trading North America, LLC 4700 West Sam Houston Houston TX 77041	NAESB Agreement for Natural Gas	E	B		F	N	32	\$203,134,453	\$203,134,453	\$1,152,527	\$0	6/1/2011	O	*	
FD-2018-13	Engie Energy Marketing NA, Inc. 1990 Post Oak Blvd Houston TX 77058	NAESB Agreement for Natural Gas	E	B		F	N	34	\$7,757,283	\$7,757,283	\$921,272	\$0	4/12/2018	O	*	
FD-2011-10	Tenaska Gas Storage, LLC 14302 FNB Parkway Omaha NE 68154	NAESB Agreement for Natural Gas	E	B		F	N	32	\$1,251,315	\$1,251,315	\$0	\$0	12/1/2011	O	*	
FD-2011-11	Statoil Natural Gas, LLC 120 Long Ridge Road Stamford CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32	\$18,684,302	\$18,684,302	\$0	\$0	4/18/2012	O	*	
FD-2012-02	Repsol Energy North America Corporation 2455 Technology Forest Rd The Woodlands TX 77381	NAESB Agreement for Natural Gas	E	B		F	N	32	\$41,334,239	\$41,334,239	\$519,322	\$0	11/13/2012	O	*	
FD-2013-06	Chesapeake Energy Marketing, LLC P.O. Box 18496 Oklahoma City OK 73154-0496	NAESB Agreement for Natural Gas	E	B		F	N	32	\$63,407,461	\$63,407,461	\$1,615,320	\$0	5/28/2013	O	*	
FD-2014-08	Spark Energy Gas, LLC 12140 Wickchester Lane Houston TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32	\$351,148,054	\$351,148,054	\$5,980,944	\$0	2/1/2014	O	*	
FD-2014-12	EQT Energy, LLC 625 Liberty Ave Pittsburgh PA 15222-3111	NAESB Agreement for Natural Gas	E	B		F	N	32	\$8,829,975	\$8,829,975	\$1,119,103	\$0	5/1/2014	O	*	
FD-2014-16	Pacific Summit Energy LLC 2010 Main Street Irvine CA 92614	NAESB Agreement for Natural Gas	E	B		F	N	32	\$64,613,880	\$64,613,880	\$947,500	\$0	8/11/2014	O	*	
FD-2015-03	Cabot Oil & Gas Corporation 840 Gessner Road Houston TX 77024-4152	NAESB Agreement for Natural Gas	E	B		F	N	32	\$2,439,304	\$2,439,304	\$0	\$0	3/2/2015	O	*	
FD-2015-05	DTE Energy Trading, Inc. 414 South Main Street Ann Arbor MI 48104	NAESB Agreement for Natural Gas	E	B		F	N	32	\$77,824,480	\$77,824,480	\$5,801,917	\$0	8/14/2015	O	*	
FD-2015-07	Definite Energy Group 575 Lexington Ave New York NY 10022	NAESB Agreement for Natural Gas	E	B		N	N	32	\$385,895	\$385,895	\$0	\$0	10/1/2015	O	*	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - JUNE 2020**

**Exhibit 5b-E
September 23, 2020**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	M O P A	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2020	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2015-10	Direct Energy Business Marketing, LLC 194 Wood Ave South Iselin NJ 08830	NAESB Agreement for Natural Gas	E	B		F	Y 32	\$2,387,858	\$2,387,858	\$0	\$0	12/14/2015	O	*	
FD-2019-13	Saybolt LP P.O. Box 844640 Dallas TX 752844640	Oil Inspection Agreement	P	B		N	N	\$7,988	\$7,988	\$7,988	\$0	01/01/20	O	12/31/2022	
FD-2019-06	Transco P.O. BOX 201371 Houston TX 77216	Firm Gas Transportation Agreement	E	1		F	N	\$1,761,938	\$1,761,938	\$893,482	\$0	06/01/19	O	*	
FD-2016-07	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Flynn)	E	1		N	N	\$2,867,133	\$2,867,133	\$528,912	\$0	04/01/17	O	*	
FD-2019-04	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement(G/K/P)	E	1		N	N	\$2,172,690	\$2,172,690	\$877,060	\$0	06/01/19	C	5/31/2020	
FD-2019-04	National Grid - NY 1 Metrotech Centre Brooklyn NY 11201	LDC Agreement(G/K/P)	E	1		N	N	\$141,078	\$141,078	\$141,078	\$0	06/01/20	O	5/31/2021	
FD-2019-05	National Grid - LI 100 East Old Country Road Hicksville NY 11801	LDC Agreement (Brentwood)	E	1		N	N	\$286,055	\$286,055	\$94,046	\$0	06/01/19	C	5/31/2020	
FD-2003-13	Merrill Lynch Commodities, Inc. 20 East Greenway Plaza Houston TX 77046	NAESB Agreement for Natural Gas	E	B		F	N 32	\$2,538,965	\$2,538,965	\$0	\$0	11/1/2003	O	*	
FD-2018-21	Penn Oak Services, LLC 1815 Sudbury Rd NW Washington DC 20012	NAESB Agreement for Natural Gas	E	B		F	N 32	\$4,032,539	\$4,032,539	\$1,975,218	\$0	07/19/18	O	*	
FD-2018-09	Twin Eagle Resource Management LLC 8847 West Sam Houston Houston TX 77040	NAESB Agreement for Natural Gas	E	B		F	N 32	\$4,500	\$4,500	\$4,500	\$0	07/10/18	O	*	
FD-2018-20	Freepoint Commodities LLC 58 Commerce Road Stamford CT 06902	NAESB Agreement for Natural Gas	E	B		F	N 32	\$4,719,141	\$4,719,141	\$33,471	\$0	6/28/2018	O	*	
FD-2019-03	Spotlight energy LLC 950 Echo Lane Houston TX77024	NAESB Agreement for Natural Gas	E	B		F	N 32	\$4,703,558	\$4,703,558	\$441,428	\$0	4/18/2019	O	*	
FD-2018-19	Consolidated Edison Energy 100 Summit Lake Drive Valhalla NY 10595	NAESB Agreement for Natural Gas	E	B		F	N 32	\$145,643	\$145,643	\$668	\$0	2/19/2019	O	*	
FD-2020-01	Vitol 2925 Richmond Ave. STE Houston TC 77098	NAESB Agreement for Natural Gas	E	B		F	N 40	\$3,755,355	\$3,755,355	\$3,755,355	\$0	1/14/2020	O	*	
FD-2020-02	Gunvor 600 Travis Street, Suite 6500 Houston, Texas 77702	NAESB Agreement for Natural Gas	E	B		F	N 40	\$61,150	\$61,150	\$61,150	\$0	3/2/2020	O	*	
FD-2020-04	George E. Warren LLC 3001 Ocean Drive Suite 203 Vero Beach, Flo 32963	Oil Purchase	E	B		F	N 6	\$1,040,604	\$1,040,604	\$1,040,604	\$0	4/24/2020	C	5/7/2020	

**POWER AUTHORITY OF THE STATE OF NEW YORK
FOSSIL FUELS ACTIVITY
JANUARY - JUNE 2020**

**Exhibit 5b-E
September 23, 2020**

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	O P A	M W B E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	AMOUNT EXPENDED 2020	CONTRACT BALANCE	DATE OF CONTRACT	O/C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
FD-2016-02	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AEII Demand Charges	E	1		N	N		\$61,346	\$61,346	\$19,597	\$0	5/26/2016	O	*	
FD-2018-07	Astoria Energy II LLC 1710 Steinway Street Astoria NY 11105	AEII Spill Tax Reimbursement	E	1		N	N		\$32,550	\$32,550	\$0	\$0	12/10/2018	O	*	
FUELS TOTALS									\$3,361,305,776	\$3,361,305,776	\$36,274,211					

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

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y A	M A	R A	O A	M P	B E	D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	PROJECTED AMOUNT TO SPEND IN 2020	CONTRACT BALANCE	DATE OF CONTRACT	O C	PROJ COMPLETE DATE	DATE CONTRACT COMPLETE
Public Financial Management	Capital Markets Financial Advisor	P	C	9	N					285,625	285,625	120,000	-	8/19/2019	O	8/19/2020	
Printer - ImageMaster	Financial Deal Roadshow hosting and printing	P	C	9	N					6,736	6,736		-	4/13/2020	C	5/13/2020	5/13/2020
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	C	9	N					592,201	592,201	30,000	-	2/24/1998	O	*	
Bank of New York (formerly JPMorgan) 101 Barclay Street New York, NY 10286	Trustee- Commercial Paper	S	C	9	N					273,544	273,544	15,000	-	10/2/2006	O	*	
Barclays Capital (assigned from Lehman Bros.) ** 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-1	S	C	9	N					2,099,993	2,099,993	90,000	-	7/14/1994	O	*	
Barclays Capital (assigned from Lehman Bros.) 745 Seventh Avenue New York, NY 10019	Re-marketing Agent CP-3	S	C	9	N					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					1,217,959	1,217,959	55,000	-	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					1,201,396	1,201,396	45,000	-	12/4/1997	O	*	

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y A	M O	R A	N A	O P	M B	B D	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	PROJECTED AMOUNT TO SPEND IN 2020	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					953,782	953,782	5,500	-	3/4/2003	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-2	S	C	9	N					436,184	436,184	40,000	-	6/28/2001	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Re-marketing Agent CP-3	S	C	9	N					708,233	708,233	30,000	-	12/4/1997	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Escrow Agent POCR/CASP & LMEI Funds	S	C	9	N					598,728	598,728	15,000	-	5/30/1996	O	*	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2019	S	C	9	N			2		13,589,221	13,589,221	2,380,000	-	1/19/2019	O	1/19/2019	
JPMorgan Chase 270 Park Avenue New York, NY 10017-2070	Revolving Line of Credit 2020	S	C	9	N			2		200,000	200,000	-	-	4/22/2020	O	4/21/2021	

CORPORATE FINANCE: WPO

POWER AUTHORITY OF THE STATE OF NEW YORK
JANUARY THROUGH JUNE 2020
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

September 23, 2020
Exhibit 5b-F

CORPORATE FINANCE ADDENDUM

PROVIDER NAME	CONTRACT DESCRIPTION	T P E	Y A	M O A	R N A	O P A	M W E	B I D S	TOTAL CONTRACT AMOUNT	TOTAL EXPENDED TO DATE	PROJECTED AMOUNT TO SPEND IN 2020	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	8	N			7	517,518	517,518	30,000	-	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				871,573	871,573	80,000	-	7/14/1994	O	*	

CORPORATE TREASURY TOTALS

23,563,467 23,563,467 2,935,500 -

NOTES:

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

** Expense History only available from 1997

**TRANSFER OF INTEREST IN PERSONAL PROPERTY FROM NYPA
TO CANAL CORPORATION**

January – June 2020

January – June 2020 Report of Transfer of Interest in Personal Property to Canal Corporation

Effective January 1, 2017, management and administration of the New York State Canal Corporation is an additional corporate purpose of the Authority. New York Public Authorities Law § 1005-b (2) authorizes the Authority to “transfer to the Canal Corporation any moneys, real, personal, or mixed property or any personnel in order to carry out the purposes of this section...” to the extent that the Authority’s Trustees deem it feasible and advisable. Under Public Authorities Law Title 5-A Disposition of Property by Public Authorities, the Trustees annually designate a Contracting Officer as part of their approval of the Guidelines for the Disposal of New York Power Authority Personal Property.

The Trustees’ authorized, on January 31, 2017, the Authority’s personal property Contracting Officer to transfer any interest in Authority personal property to the Canal Corporation, as the Contracting Officer deems prudent after balancing the respective needs of the Authority and the Canal Corporation, will facilitate the Canal Corporation’s obligations to operate, maintain, construct, reconstruct, improve and develop the canal system. The Contracting Officer will authorize the transfer of Authority personal property or any interest therein only at the request of Canal Corporation. The Contracting Officer will authorize the transfer to Canal Corporation any interest in Authority personal property, valued at up to \$500,000 per transaction, in parity with the authorization level and signing authority set forth in the Guidelines for the Disposal of New York Power Authority Personal Property. Additionally, the Contracting Officer will report to the Trustees or committee thereof regarding such property transfers. To that end, the January to June 2020 Report of Transfer of Interest in Personal Property from NYPA and Canal Corporation less than \$500,000 in value is attached.

Grand Total as of 06/30/20

As summarized on the attached Report, the January through June 2020 Grand Total “Value of Interest in Personal Property Transferred from NYPA and Canal Corporation” for all Personal Property less than or equal to \$500,000 authorized by the Contracting Officer was \$ 0.00.

POWER AUTHORITY OF THE STATE OF NEW YORK

JANUARY – JUNE 2020 REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL CORPORATION LESS THAN OR EQUAL TO \$500,000

FLEET OPERATIONS

<u>DESCRIPTION</u>	<u>VIN</u>	<u>UNIT #</u>	<u>TRANSFER DATE</u>	<u>Transfer Value Recorded by the Authority</u>
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****No sales or transfers**

<u>SUBTOTAL:</u>	\$	0.00
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POWER AUTHORITY OF THE STATE OF NEW YORK

**JANUARY – JUNE 2020 REPORT OF TRANSFER OF INTEREST IN PERSONAL PROPERTY TO CANAL
CORPORATION LESS THAN OR EQUAL TO \$500,000**

OTHER PERSONAL PROPERTY

DESCRIPTION	IDENTIFICATION NUMBER	TRANSFER DATE	Transfer Value Recorded by the Authority
**No sales or transfers			
SUBTOTAL:			\$ 0.00
+ SUBTOTAL Page 1:			<u>\$ 0.00</u>
GRAND TOTAL:			<u><u>\$ 0.00</u></u>

9/23/20

CANAL CORPORATION PROCUREMENT CONTRACTS SUMMARY **January - June 2020**

In accordance with the Canals Guidelines for Procurement Contracts, “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 Canal Corporation facilities including operations and maintenance and capital projects, including but not limited to, goods and commodities, construction, maintenance work and other services.

The following is a summary of all procurement contracts including multi-year contracts awarded through June 30, 2020. These contracts have been active during 2020 and are \$5,000 or greater in value. There were 291 such contracts with an estimated value of more than \$276 million, with total procurement expenditures in 2020 exceeded \$22 million.

The following is a breakdown of the total number of active contracts:

- 7% Construction services;
- 51% Equipment and Commodities;
- 3% Architectural and Engineering services;
- 0% Legal services;
- 16% Personal Service contracts such as professional consulting services; and
- 22% Non-Personal Service contracts such as maintenance, technicians, and contingent workforce

Based on the total value of the contracts included in this summary (\$276 million), approximately 98.9% (\$273.6 million) was competitively bid and 1.1% (\$2.9 million), were sole/single-source awards, which included over \$592 thousand in Minority- and Women-owned Business Enterprises (MWBs), Service-Disabled Veteran-Owned Businesses (SDVOBs) and NYS Small Businesses contract awards. Sole/single-source awards also included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

The Canal Corporation had no fossil fuel or corporate finance activity related specifically to its operations. Additionally, for other matters, such as Supplier Diversity Program and Inventory Statistical reporting and the transfer of interest in personal property from NYPA to Canal Corporation, the values have been included in the attached NYPA reporting.

CANAL CORPORATION

JANUARY – JUNE 2020 REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

DESCRIPTION	PURCHASER	SALE PRICE	PRICE RECEIVED by Canal Corp.
**No sales or transfers			
TOTAL:		\$ 0.00	\$ 0.00

CANAL CORPORATION

JANUARY – JUNE 2020 REPORT OF DISPOSAL OF PERSONAL PROPERTY OVER \$5,000

FLEET OPERATIONS

DESCRIPTION	PURCHASER	SALE PRICE	Transportation and Other Fees	PRICE RECEIVED * by Canal Corp
--------------------	------------------	-----------------------	----------------------------------------------	-----------------------------------------------

****No sales or transfers**

FLEET SUBTOTAL:	\$ 0.00	\$ 0.00	\$ 0.00
+ SUBTOTAL Page 1:	<u>\$ 0.00</u>	--	<u>\$ 0.00</u>
GRAND TOTAL:	<u>\$ 0.00</u>	\$ 0.00	<u>\$ 0.00</u>

ACQUISITION AND DISPOSAL OF REAL PROPERTY **January 1– September 10, 2020**

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 – September 10, 2020.

I. ACQUISITIONS

1.) Acquisitions by Deed or Easement:

MA REBUILD					
Tax Parcel No.	Current Owner Name	Acreage	Consideration	Signed Date	Town
SEGMENT 1					
16.001-3-28.2	Angel LaPlante	.90	\$1,000.00	2/11/2020	Louisville
15.003-1-25.122	Angela A. Barbone	.01	\$600.00	2/11/2020	Norfolk
15.002-5-2.13	Seaway Timber Harvesting, Inc.	.20	\$500.00	2/19/2020	Louisville
74.002-1-13	Gerald Van Brocklin	.20	\$500.00	2/3/2020	Canton
52.001-2-24.2	Gregory Cuthbert	.60	\$1,200.00	2/4/2020	Madrid
62.004-2-1.11 62.002-2-23	Greenwood Acres LLC	.42	\$2,000.00	2/26/2020	Potsdam
62.002-2-11	Greenwood Acres LLC	.02	\$500.00	2/26/2020	Potsdam
52.003-1-20.4	Greenwood Acres LLC	.01	\$500.00	2/26/2020	Potsdam
52.001-4-2.11	Stephen W. Herbst and Donna M. Elliot	1.0	\$1,500.00	2/19/2020	Potsdam
15.002-2-15.1	Robert J. Harvey	.80	\$10,000.00	2/26/2020	Louisville
16.001-3-3.32 15.002-2-19	Robert J. Harvey	2.4	\$15,000.00	2/26/2020	Louisville

SEGMENT 2					
74.002-1-47.1	David and Deborah Smith	.3	\$500.00	5/27/2020	Canton
74.002-1-27.12	David and Deborah Smith	.1	\$500.00	5/27/2020	Canton
74.002-1-12.112	Ronald and Jane Pike and Shirley and Roger Murdie	1.3	\$1500.00	5/28/2020	Canton
117.003-2-11.11	Robert J. White Jr.	1.7	\$6000.00	6/2/2020	Canton
102.003-2-14	Justin E. Matthews	.1	\$500.00	6/2/2020	Canton
117.003-2-10.1	William and Helen Baker	.4	\$500.00	6/10/2020	Canton
132.003-2-16	Frank Brown	1.5	\$2500.00	6/11/2020	Russell
162.001-1-23.211	Richard and Janet Gotham	.4	\$4500.00	6/17/2020	Russell
147.003-2-10.12	Gotham Family Farm LLC	.5	\$4500.00	6/17/2020	Russell
147.003-2-9.2 and 147.003-2-8.22	Richard and Janet Gotham	.5	\$4500.00	6/17/2020	Russell
162.001-1-5	Richard and Janet Gotham	.1	\$4000.00	6/17/2020	Russell
175.004-1-34	Glenn J. Bullock and Harold J Bullock	2.5	\$3000.00	6/24/2020	Edwards
176.001-1-7	Barbara Newcombe	1.5	\$2000.00	6/24/2020	Edwards
102.001-1-28	Avis Ragan	.3	\$1000.00	8/4/2020	Canton
176.003-1-17	James L. Whitton Jr.	1	\$1500.00	7/8/2020	Edwards
1002.003-2-10.112	George S. and Theresa Corbine	.4	\$1500.00	8/4/2020	Canton
175.004-1-42.1	Robert and Patsy Hathaway	3.5	\$4000.00	7/15/2020	Edwards
188.002-1-16.1	Arnold J. Chapin and Theresa L. Hoover	.3	\$500.00	9/3/2020	Edwards
188.002-1.16.1	Arnold J. Chapin and Theresa L. Hoover	.4	\$500.00	9/3/2020	Edwards
188.002-1-20.11	Arnold J. Chapin and Theresa L. Hoover	.3	\$500.00	9/3/2020	Edwards
188.002-1-16.11	Arnold J. Chapin and Theresa L. Hoover	.2	\$500.00	9/3/2020	Edwards
189.001-1-32	Bonnie Chapin	.3	\$500.00	9/3/2020	Edwards
117.001-3.2.2	St. Lawrence County	.6	0	9/9/2020	Canton
117.001-3-2.1	Town of Canton	.6	\$1500.00	8/13/2020	Canton

During this reporting period, Real Estate completed the acquisition of 7.30 acres of property located in the Town of Chateaugay, County of Franklin from Jericho Rise Wind Farm, LLC. This property adjoins the Authority's Willis Substation and will be the site of the North Country Battery Storage facility, currently under construction. The deed was executed on June 26, 2020 and the consideration was \$11,015.

During this reporting period, Real Estate completed the acquisition of two easement assignments from CPV Valley, LLC. The property is located in the Town of Middletown, County of Orange and is the site of the Authority's Dolson Avenue Substation. Please note that recording of the documents has been delayed as the Orange County Clerk's Office was temporarily closed due to Covid-19.

2.) Danger Tree Permits:

During this reporting period, the Authority acquired 199 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, Moses-Willis, and Gilboa-New Scotland.

II. DISPOSITIONS

1.) Dispositions by Deed or Easement:

None this reporting period

III. MISCELLANEOUS TRANSACTIONS

None this reporting period

IV. LEASING

1) Landlord Leases:

During this recording period, the Authority entered into an agreement with East River ESS, LLC for the lease of approximately 4.2 acres of real property adjoining the Eugene W. Zeltmann Power Project in Astoria, Queens to serve as the location of a new 100 MW battery storage facility. The Board of Trustees approved entering into this lease at their meeting on March 31, 2020.

2) Tenant Leases:

During this reporting period Real Estate, at the request of Project Management, entered into a lease for approximately 3,825 square feet of office space in Canton, St. Lawrence County, to serve as the project offices for the Smartpath/MA Rebuild Project. The initial term is for 2 years, commencing March 1, 2020, with monthly rent of \$6,250.00.

During this reporting period Real Estate, at the request of Niagara Power Project staff, entered into a new lease with DRC Development, LLC for approximately 15,000 square feet of

climate controlled storage space for use in support of ongoing Life Extension projects at the NPP. NYPA has leased this space since 2012 but the current lease term was set to expire. The new term is ten years, commencing July 1, 2020, with monthly rent of \$9,062.50. The Board of Trustees approved entering into this lease at their meeting on May 19, 2020.



Date: December 1, 2020

To: THE GOVERNANCE COMMITTEE

From: THE VICE PRESIDENT – STRATEGIC SUPPLY MANAGEMENT

Subject: Review and Approval of NYPA and Canal Guidelines for Procurement Contracts

SUMMARY

This memorandum is to request that the Governance Committee review and recommend for approval by the full Board of Trustees and the Canal Board of Directors the revised NYPA and Canal Corporation Guidelines for Procurement Contracts.

BACKGROUND

Pursuant to Subsection C.5 of the Authority's Governance Committee Charter relating to Reports, the Vice President – Strategic Supply Management is required to report to the Committee at all regularly scheduled meetings and the Committee has the authority to require Procurement and other staff to prepare additional reports and to produce documents for Committee review.

For NYPA and the Canal Corporation, please note the following changes to the Guidelines for Procurement Contracts as fully detailed in Exhibits for NYPA and Exhibit for Canal Corporation:

1. Section 2 DEFINITIONS
Update and addition of certain definitions including:
 - a. "Non-procurement contracts", Non-Procurement Contracts include direct and indirect placement of advertisements with radio, television, print and electronic media.
 - b. "Purchase Order Release" is a single order issued for goods or services in accordance with the terms and conditions of a Value Contract.
 - c. "Value Contract" Master Service Agreement for goods and services with specific target value and term.
2. Section 3 SOLICITATION REQUIREMENTS
 - a. Addition of paragraph K. 9:
"Services are required on a more expedited basis than the competitive procurement process will allow. Requesting business units must demonstrate the urgency of the project and that awardee is cost-effective and qualified in the subject area. Services shall be for specific scopes of work in an amount not exceeding \$500,000 and are subject to the approvals stated in Section 3.D."
 - b. Addition of paragraph T:
"Prior to entering into any binding relationship with a third party (e.g., written agreement or memorandum of understanding (MOU)) in pursuit of any joint or collaborative development project, the office of SSM and the Law Department ("Law") must be notified regarding the procurement and on the issue of whether

and to what extent the projects falls within the constraints of the Authority's procurement regulations and enabling legislation. SSM and Law should be brought into any such project in the development process.

Provided that the Authority has statutory authority to develop or otherwise participate in a project developed, in whole or in part, in collaboration with a third party, the following minimum criteria must be met:

- (i) the Authority's participation must be in response to a solicitation issued by the State or other public entity pursuant to a competitive selection process; and
- (ii) the construction of any asset to be owned by the Authority must comply with all applicable laws, including but not limited to prevailing wage requirements and goals established for the use of minority enterprises (e.g., minority- and women-owned business enterprise (MWBE), service disabled veteran owned business (SDVOB)); and
- (iii) goods and/or services required to develop and implement the project must be sourced and procured in accordance with, and subject to, either (a) the Authority's Procurement Guidelines; or (b) the requirements of the third party collaborator governing the competitive procurement of goods and services, provided that SSM has been furnished with a copy of such requirements which demonstrate, in SSM's judgement, that a competitive procurement or equivalent has been or will be undertaken.

Prior to execution any underlying agreement (i.e. joint development agreement, MOU, etc.) an internal award recommendation shall be memorialized and approved by the VP SSM and the responsible Business Unit head."

3. Section 6 AWARD OF CONTRACT

a. Update Paragraph E as follows:

"The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions. However, at the sole discretion of the Vice President of SSM may approve a Business Unit's written justification for a contract term exceeding 5 years or reasonable extension of such a contract"

b. Add Paragraph F as follows:

"For construction value contracts purchase order releases maybe issued up to the term limit of the value contract. The term of a construction purchase order release shall be as required to complete the work assigned. The term of the value contract shall be extended accordingly."

4. Section 7 CONTRACT PROVISIONS for NYPA only
Contract Attachments add

18. "Appendix "P" (Non-Bulk Electric System (BES)) (Information Security Requirements for Vendors and External Partners non-Bulk Electric System)"

19. "Appendix "P" for BES (Information Security Requirements for Vendors and External Partners for Bulk Electric System)"

5. Additionally, there are corrections of certain inconsistencies, grammatical, format and otherwise.

DISCUSSION

Pursuant to the Authority's implementation of the Public Authorities Accountability Act of 2005 ("PAAA"), as amended, the respective Authority and Canal Corporation Governance Committee reviews the Guidelines for Procurement Contracts and approves any changes to such Guidelines. These Guidelines have been amended as deemed advisable and necessary.

FISCAL INFORMATION

There will be no financial impact on the Authority or the Canal Corporation.

RECOMMENDATION

The Governance Committee is requested to review the revisions to the respective Guidelines for Procurement Contracts (as set forth in the copies attached hereto as Exhibits A-1 for NYPA and Exhibits A-2 for Canal Corporation) and to recommend adoption by the full Board of Trustees and the Canal Board of Directors at the December meeting to be held on December 9, 2020.

John L. Canale
Vice President – Strategic Supply Management

RESOLUTION

RESOLVED, that the Governance Committee recommends the adoption of the Guidelines listed above to the Trustees and the Canal Board of Directors as required by Section C (1) (e) of the Governance Committee Charter; and be it further

RESOLVED, that the Governance Committee recommends to the Trustees and the Canal Board of Directors that the President and Chief Executive Officer be authorized to modify the foregoing policy, as necessary, except in the event that any powers, duties or obligations of the Trustees and the Canal Board of Directors would be affected by such modification.

NYPA 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, Articles 15-A and 17-B 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. “Capital projects” generally refer to the acquisition or construction of new assets, the replacement and/or betterment of existing assets, equipment, or property (including those of NYPA’s customers, where authorized). Betterment refers to an extension of the useful life or improvement in the efficiency and/or capacity of the asset, equipment, or property.
- B. “Contact” is 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 Authority’s conduct or decision regarding the procurement.
- C. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$500,000 for the purchase of commodities and/or services from Small Business Enterprises or NYS-certified MWBE firms, and without a dollar cap for SDVOB firms as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$500,000, pursuant to State Finance Law § 163.
- D. “Disadvantaged Business Enterprise” (DBE) is a for-profit small business concern (1) that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it, pursuant to the definition found in 49 C.F.R Part 26.

- E. "Evaluation of Proposals," as further outlined in Section 4 below, includes evaluating factors the Authority's consideration of a bidder's skill, judgment, and business integrity.
- F. "Goods" include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as Equipment," where 60% or more of the total projected contract value will be for the purchase of equipment, material or supplies.
- G. "Minority- and Women-owned Business Enterprise" ("MWBE") 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. "Non-Procurement Contracts" include contracts under \$5,000, contracts for energy with or without environmental attributes included, capacity, renewable energy certificates, 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) or credit rating services; certain insurance and healthcare products that do not readily lend themselves to a competitive solicitation. In addition, Non-Procurement Contracts include direct and indirect 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.
- I. "Operation and Maintenance" ("O&M") generally refers to the work or services necessary to keep the plants, transmission lines, and other equipment and facilities to include NYPA customers, where authorized, (collectively referred to generally as an "asset") in optimal operating condition and/or to restore an asset to its productive capacity. This includes the cost of inspecting, testing, analyzing and reporting on the condition of the asset required to determine repairs or replacement, as well as costs associated with the normal operation and administration of NYPA's production/transmission facilities and energy programs.
- J. "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 (as defined in Section 2.1. and 2.A., respectively), 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.F and 2.M.

K. “Purchase Order Release” is a single order issued for goods or services in accordance with the terms and conditions of a Value Contract.

K.L. “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. The term Relative may include, but is not limited to, 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.

L.M. “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 a 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’s 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 the aforementioned factors.

M.N. “Single-Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one offeror over another that can supply the goods or services.

N.O. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.

Q.P. “Software” includes on-premise applications as well as Software-as-a-Service (SaaS) which is defined as a software distribution model in which a third-party provider hosts application and makes access available to customers over the Internet. “Software” shall be considered “Equipment” where such term is used throughout these Guidelines.

P.Q. “Sole Source” is a procurement in which only one offeror is capable of supplying the required goods or services.

Q.R. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.

S. “Value Contract” Master Service Agreement for goods and services with specific target value and term.

3. SOLICITATION REQUIREMENTS

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Strategic Supply Management (“SSM”) Department, or the facilities’ SSM 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 \$50,000 and a minimum of five providers and/or firms (if available) for purchases valued at \$50,000 and greater, commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance.
- B. Prospective bidders on Procurement Contracts may be prequalified by invitation advertised in the same manner as an RFP/RFQ (referred to as a Request for Qualifications and/or Request for Information (“RFI”). In such cases, proposals are requested only from those providers and/or firms whose prequalification submittals demonstrate sufficient ability and competence (including, but not limited to, the bidder’s skill, judgment and business integrity) 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 (“MWBEs”), Service-Disabled Veteran-Owned Businesses (“SDVOBs”) and Small Business Enterprises (“SBEs”), the Authority will solicit offers from such firms 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 definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.~~H~~G, 2.~~L~~R and 2.~~I~~O, respectively.

To foster increased use of MWBEs and SBEs, a single proposal may be sought, negotiated and accepted for discretionary purchases of goods and/or services not exceeding \$500,000, in the aggregate including all amendments, from a NYS-certified MWBE or an SBE that offers a reasonable price for such goods and/or services. An SDVOB may be awarded on the basis of a single proposal that offers a reasonable price for such goods and/or services without a dollar cap. The award of such proposal requires the written approval of the Vice President, SSM. 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, SSM. Furthermore, the award of such Procurement Contracts will be noticed on the *Contract Reporter* website, as further set forth in Section 3.H.

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. Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains SSM Department, or facility SSM 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.
- Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a “mini bid” (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts. Certain other Procurement Contracts issued by the Authority (e.g., for on-call consulting or contracting services) may also utilize a mini bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Authority’s bid requirements, in order to satisfy multiple factors and needs as set forth in the bid document. Such mini bids shall be conducted by the Authority’s SSM staff (or on behalf of the Authority by an Implementation Contractor) where applicable and practicable. Within a said multiple award group, work may be assigned to a specific firm without conducting a mini bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Authority’s needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini bid shall typically be made jointly by SSM and the initiating departments and shall be documented for the Procurement Record.
- G. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; evaluation criteria (as defined in Section 4.B); milestone dates;

the Authority's Supplier Diversity Program and SDVOB 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 less than \$50,000, 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. All solicitations made by telephone shall be documented and made part of the Procurement Record.

- H. For all Procurement Contracts with a value equal to or greater than \$50,000 (except for those contracts noted below), the Authority will, prior to soliciting proposals, submit all required information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, (www.nyscr.ny.gov) (unless such posting would serve no useful purpose). 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 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposal process, the Authority will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

This section 3.H does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.M, (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. (See Article 4-C, Economic Development Law)

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, SSM, and/or the head of the initiating department that does not complete its procurements through the SSM 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.

Notwithstanding the foregoing, submittal of a notice / announcement of award for inclusion on the *Contract Reporter* website is required for Procurement Contracts with a value of \$50,000 or more awarded on a sole source or single source basis, including such discretionary contracts not exceeding \$500,000 awarded to Small Business Enterprises or NYS-certified MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, for discretionary awards on a single or sole source basis to SDVOB's, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for Procurement Contract bidding

opportunities, in accordance with the afore-referenced law. Such notice shall specify the name of the awardee.

- I. In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, the Service-Disabled Veteran-Owned Business ("SDVOB") Act was signed into law on May 12, 2014. The SDVOB program provides for eligible Veteran business owners to become certified as a New York State Service-Disabled Veteran-Owned Business. The Division of Service-Disabled Veterans' Business Development within the New York State Office of General Services ("OGS") is responsible for certifying eligible SDVOBs, assisting agencies and authorities in complying with the law, and promoting SDVOB participation in the state's procurement activities. Under this program, contracts may be awarded on a non-competitive basis to NYS-certified SDVOBs for discretionary purchases. Alternately, contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of value, and advertised as such on the *Contract Reporter* website.

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

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

- K. A Procurement Contract may be awarded on a Sole Source, 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 Enterprise or to a NYS-certified MWBE firm for discretionary purchases not exceeding \$500,000, pursuant to Section 3.D and as further set forth in Section 2.C
 6. The contract is awarded to a NYS-certified SDVOB for a discretionary purchase.
 7. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$500,000, as further set forth in Section 2.C and subject to the approvals stated in Section 3.D.
 8. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$500,000, as further set forth in Section 2.C and subject to the approvals stated in Section 3.D.
 9. Services are required on a more expedited basis than the competitive procurement process will allow. Requesting business units must demonstrate the urgency of the project and that awardee is cost-effective and qualified in the subject area. Services shall be for specific scopes of work in an amount not exceeding \$500,000 and are subject to the approvals stated in Section 3.D.
 - 9-10. 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.
- L. 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.
- M. 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.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the compelling reasons therefor to the White Plains SSM Department or the appropriate facility SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the Vice President, SSM, except as noted in Section 3.H.
- O. 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 SSM Department.
- P. 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, SSM or authorized designee.
- Q. 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 shall apply:

The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State *Contract Reporter*) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerors (i.e., bidders/con- tractors) intending to result in a Procurement Contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F.

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.

- R. 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 Company Policy, Lobbying Contacts CP 9-2, regarding this matter.

- S. 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 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 employee who has the power to exercise discretion in procurement matters or advises someone who exercises such 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 themselves, 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.

- T. Prior to entering into any binding relationship with a third party (e.g., written agreement or memorandum of understanding (MOU)) in pursuit of any joint or collaborative development project, the office of SSM and the Law Department ("Law") must be notified regarding the procurement and on the issue of whether and to what extent the projects falls within the constraints of the Authority's procurement regulations and enabling legislation. SSM and Law should be brought into any such project in the development process.

Provided that the Authority has statutory authority to develop or otherwise participate in a project developed, in whole or in part, in collaboration with a third party, the following minimum criteria must be met:

- (i) the Authority's participation must be in response to a solicitation issued by the State or other public entity pursuant to a competitive selection process; and

- (ii) the construction of any asset to be owned by the Authority must comply with all applicable laws, including but not limited to prevailing wage requirements and goals established for the use of minority enterprises (e.g., minority- and women-owned business enterprise (MWBE), service disabled veteran owned business (SDVOB)); and
- (iii) goods and/or services required to develop and implement the project must be sourced and procured in accordance with, and subject to, either (a) the Authority's Procurement Guidelines; or (b) the requirements of the third party collaborator governing the competitive procurement of goods and services, provided that SSM has been furnished with a copy of such requirements which demonstrate, in SSM's judgement, that a competitive procurement or equivalent has been or will be undertaken.

Prior to execution any underlying agreement (i.e. joint development agreement, MOU, etc.) an internal award recommendation shall be memorialized and approved by the VP SSM and the responsible Business Unit head.

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 (including, but not limited to, the bidder's skill, judgment and business integrity), 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 SSM Department and/or the appropriate facility SSM 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, SSM 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; and overall, the bidder's skill, judgment and business integrity. 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.

Another factor to be considered in evaluating proposals may involve an assessment of the bidder's diversity practices, where applicable. Pursuant to Article 15-A of the Executive Law, diversity practices are the contractor's practices and policies with respect to utilizing NYS-certified MWBEs in contracts as subcontractors and suppliers, and entering into partnerships, joint ventures or other similar arrangements with NYS-certified MWBEs. A contractor's diversity practices may be assessed when: (1) a procurement is awarded on the basis of "Best Value" as described in Section 4.D. (but *not* when a procurement is awarded based upon "lowest price"); (2) the anticipated award is \$250,000 or greater; and (3) such assessment is practicable, feasible and appropriate. Such assessment shall not permit the automatic rejection of a bid or Procurement Contract proposal based on lack of adherence to diversity practices.

- C. For Services Contracts (as defined in Section 2.M 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 for Goods (as defined in Section 2.F 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. (See also Section 4.F regarding award to "other than low bidder".)

As a best practice and pursuant to State Finance Law § 163, the Authority may award on a "Best Value" basis for awarding contracts to the offeror that optimizes quality, cost and efficiency, among responsive and responsible offerors. Such basis shall reflect, wherever possible, objective and quantifiable analysis and may also identify a quantitative factor for offerors that are Small Businesses or NYS-certified SDVOB or MWBE firms.

- E. Pursuant to § 139-k of the State Finance Law, the Authority shall not award a Procurement Contract (as defined in Subsection 3.Q.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-k 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 and SDVOB goals; and overall, the bidder's skill, judgment and business integrity.
- 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, as well as Supplier Diversity Program requirements, as applicable.

6. AWARD OF CONTRACT

- A. Services Contracts (which include contracts for Construction, Personal and Non-personal services, as defined in Section 2.M.) valued or estimated to be \$5,000 or greater 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.
- B. Extending a contract, previously approved by the Trustees, for 12 months or less ("grace period") requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the Vice President, SSM.
- C. For Services Contracts valued or estimated to be \$5,000 or greater 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 term and value, such contract must be approved in writing 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.
- D. A contract or contract task valued or estimated to be \$5,000 or greater 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.
- E. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions. However, at the sole discretion of the Vice President of SSM may approve a Business Unit's written justification for a contract term exceeding 5 years or reasonable extension of such a contract.
- F. For construction value contracts purchase order releases maybe issued up to the term limit of the value contract. The term of a construction purchase order release shall be as

required to complete the work assigned. The term of the value contract shall be extended accordingly.

- E.G. Multiyear contracts for Goods (which include equipment, materials and supplies, as defined in Section 2.F) valued or estimated to be \$5,000 or greater are subject to the management approval thresholds established in the EAPs, and require Trustee approval only once those thresholds are met.
- F.H. 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, SSM or equivalent(s) or designee, may authorize extending such contract, subject to the Trustees ratifying such action as soon as practicable.
- G.I. 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.
- H.J. 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, SSM or equivalent(s) or designee, may authorize in writing 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.
- I.K. The White Plains SSM Department or the facilities' SSM 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.
- J.L. Pursuant to Economic Development Law § 143, the Authority shall submit an announcement of the intended contract for inclusion in the procurement opportunities newsletter at the time it enters into a contract. Such announcement shall identify the contract, specify the date of the award of the contract and provide the name of and contact information for each recipient of the contract.
- K.M. 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 SSM Department: purchase order format (for standard procurements of goods and/or services); furnish-and-deliver format (for major equipment purchases); long form agreements (for consulting services) and maintenance agreement formats; 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 SSM Department, which, along with the facilities' SSM 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. MWBE requirements
19. SDVOB requirements
20. 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 (MWBE) Participation Goal Requirement)
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 Opportunities 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) - inactive
14. Appendix "L" (DOE Federal Contract Provisions) - inactive
15. Appendix "M" (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology ("BART") for Heavy Duty Vehicles)
16. Appendix "N" (The New York State Iran Divestment Act of 2012 – Iranian Energy Sector Divestment)
17. Appendix "O" (Encouraging Use of New York State Businesses in Contract Performance) – inactive
18. Appendix "P" (Non Bulk Electric System (BES)) (Information Security Requirements for Vendors and External Partners non Bulk Electric System)
19. Appendix "P" for BES (Information Security Requirements for Vendors and External Partners for Bulk Electric System)

- 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.

Furthermore, any firm, person or other entity retained by the Authority to provide conceptual studies, designs or specifications is prohibited from being awarded future phases of work, including implementation, related to the original work.

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;
3. There is no qualified response to the solicitation for future phases of work, including implementation; or
4. 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, SSM 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.M 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 and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- 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.

9. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES

- A. Former Authority officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Joint Commission on Public Ethics that such engagement is permissible; and upon approval of the President and Chief Executive Officer, as well as the Chairman of the Board of Trustees.
- 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.
 - 3. Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Authority officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Authority, if, prior to engaging in such service, the Chairman of the Board of Trustees certifies in writing to the New York State Joint Commission on Public Ethics that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Authority's needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the reasons for such certification. The New York State Joint Commission on Public Ethics must review and approve all such certifications.
- 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 process or decision: (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 in writing his or her supervisor and the Office of Ethics and Compliance of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

For purposes of this Section 9.E, the term "Relative" is defined in Definitions, Section 2.
L of these Guidelines.

10. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS

The Authority strives to continue to foster the development of business opportunities on Authority contracts for MWBEs. 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 MWBEs 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 MWBE is included in Section 2.-G of these Guidelines. The Authority aims to solicit proposals from NYS-certified MWBEs 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 MWBEs as required by law. Bidders' proposals will include a completed preliminary Utilization Plan Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required. 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. Final MWBE Utilization Plans for Construction contracts valued at more than \$100,000 shall be provided and posted on the Authority's 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 MWBEs 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 MWBEs providing the types of services procured by the Authority.
3. Maintain lists of qualified NYS-certified MWBEs, 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 MWBEs maintained by the DED pursuant to Executive Law Article 15-A.
4. Establish appropriate goals for participation by MWBEs in Procurement Contracts awarded by the Authority and for the utilization of MWBEs 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 MWBEs 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 MWBEs.

11. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

The Authority also strives to foster the development of business opportunities for NYS-certified SDVOBs and to further increase participation by SDVOBs in Authority contracts, as set forth in Sections 2.~~R~~ and 3.I of these Guidelines and pursuant to Article 17-B of the Executive Law. One tool is the use of SDVOB discretionary purchasing, as further described in Sections 3.D, 3.I~~1~~, and 3.K.6 of these Guidelines. Another tool authorized by the law is the use of set-asides, which permit the reservation in whole or in part of certain procurements by state agencies and authorities when more than one NYS-certified SDVOB is available and can provide the necessary goods or services to meet the Authority's form, function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

Pursuant to Article 17-B of the Executive Law, the following guidelines apply:

- ~~1.~~ Identify contracts where SDVOBs may best perform and/or where SDVOB goals are practical, feasible and appropriate for the purpose of increasing the utilization of SDVOB participation on Authority contracts.
- ~~2.1.~~ Submit regular reports with respect to SDVOB Program activity, including but not limited to, utilization reporting and contract monitoring and compliance.

- 3.2. Achieve an overall goal of six percent for SDVOB participation on Authority contracts.

12. DISADVANTAGED BUSINESS ENTERPRISE (“DBE”) PROGRAM REQUIREMENTS ON PROJECTS THAT ARE FEDERALLY FUNDED

The Authority strives to foster the development of business opportunities for NYS certified DBEs and to further increase their participation in NYPA Federally funded contracts. The Authority aims to solicit proposals from DBEs for procurements that will be partially or fully federally funded. The Authority follows the DBE guidelines as set out by The Federal Department of Transportation (“DOT”). NYS DOT is tasked with certifying eligible small businesses as DBEs in New York State.

The Authority is committed to promoting participation of DBEs in NYPA contracting opportunities in accordance with federal law and regulations and seeks to achieve the following objectives:

1. To ensure nondiscrimination in the award and administration of Federally funded contracts;
2. To create a level playing field on which DBEs can compete fairly for Federally funded contracts;
3. To ensure that the Authority’s DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet this Federal eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in Federally funded contracts;
6. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities.
7. To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
8. To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

13. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

The White Plains SSM Department maintains records of Procurement Contracts. In addition to bid- and contract award-related documents for the goods provided and/or services performed, the Procurement Record includes, but is not limited to, documentation of the decisions made and the approach taken in the procurement process. Such records are transmitted to the Digital Warehouse for electronic storage and retrieval. At the facilities, such records are currently maintained and stored by the facilities’ SSM Departments.

A.B. Procurement Report

After the end of each calendar year, the Vice President, SSM 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 MWBE 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 equal to or greater than \$50,000 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.

B.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.

C.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.

D.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").

F. The Vice President, SSM or equivalent(s) will also prepare Annual Goal Plans for the MWBE and SDVOB programs and will submit them by January 15 of each year to Empire State Development - Division of Minority and Women Business Development and the New York State Office of General Services - Division of Service-Disabled Veterans' Business Development, respectively. Quarterly Utilization / Activity Reports for each program will also be prepared and submitted to the aforementioned respective state entities by the 15th day of July, October, January and April.

14. 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.

CANAL CORPORATION GUIDELINES FOR PROCUREMENT CONTRACTS

1. PURPOSE

These Guidelines for Procurement Contracts (“Guidelines”) set forth the policy of Canal Corporation 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, Articles 15-A and 17-B 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. “Capital projects” generally refer to the acquisition or construction of new assets, the replacement and/or betterment of existing assets, equipment, or property (including those of NYPA’s customers, where authorized). Betterment refers to an extension of the useful life or improvement in the efficiency and/or capacity of the asset, equipment, or property.
- B. “Contact” is 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 Authority’s conduct or decision regarding the procurement.
- C. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts (e.g., not exceeding \$500,000 for the purchase of commodities and/or services from Small Business Enterprises or NYS-certified MWBE firms, and without a dollar cap for SDVOB firms as further set forth in Sections 3.D and 3.K.5-7) and at the discretion of the Authority, without the need for a formal competitive bid process. For the purpose of determining whether a purchase is within the discretionary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than \$500,000, pursuant to State Finance Law § 163.
- D. “Disadvantaged Business Enterprise” (DBE) is a for-profit small business concern (1) that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it, pursuant to the definition found in 49 C.F.R Part 26.
- E. “Evaluation of Proposals,” as further outlined in Section 4 below, includes evaluating factors the Authority’s consideration of a bidder’s skill, judgment, and business integrity.
- F. “Goods” include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as Equipment,” where 60% or more of the total projected contract value will be for the purchase of equipment, material or supplies.

- G. "Minority- and Women-owned Business Enterprise" ("MWBE") 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. "Non-Procurement Contracts" include contracts under \$5,000, contracts for energy with or without environmental attributes included, capacity, renewable energy certificates, 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) or credit rating services; certain insurance and healthcare products that do not readily lend themselves to a competitive solicitation. In addition, Non-Procurement Contracts include direct and indirect 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.
- I. "Operation and Maintenance" ("O&M") generally refers to the work or services necessary to keep the plants, transmission lines, and other equipment and facilities to include NYPA customers, where authorized, (collectively referred to generally as an "asset") in optimal operating condition and/or to restore an asset to its productive capacity. This includes the cost of inspecting, testing, analyzing and reporting on the condition of the asset required to determine repairs or replacement, as well as costs associated with the normal operation and administration of NYPA's production/transmission facilities and energy programs.
- J. "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 (as defined in Section 2.I. and 2. A., respectively), 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.F and 2.M.
- K. "Purchase Order Release" is a single order issued for goods or services in accordance with the terms and conditions of a Value Contract.
- ~~K.L.~~ "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. The term Relative may include, but is not limited to, 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.

L.M. “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 a 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’s 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 the aforementioned factors.

M.N. “Single-Source” is a procurement in which the Authority, upon written findings setting forth material and substantial reasons, may award a contract (or amendment to a contract) to one offeror over another that can supply the goods or services.

N.O. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.

O.P. “Software” includes ~~on-premise~~on-premises applications as well as Software-as-a-Service (SaaS) which is defined as a software distribution model in which a third-party provider hosts application and makes access available to customers over the Internet. “Software” shall be considered “Equipment” where such term is used throughout these Guidelines.

P.Q. “Sole Source” is a procurement in which only one offeror is capable of supplying the required goods or services.

Q.R. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is at least 51% owned by one or more service-disabled veterans; in which such ownership is real, substantial and continuing, and also has and exercises the authority to control independently the day-to-day business decisions of the enterprise; is a Small Business and is certified by the New York State Office of General Services, as further set forth in Article 17-B of the Executive Law.

S. “Value Contract” Master Service Agreement for goods and services with specific target value and term.

3. SOLICITATION REQUIREMENTS

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Strategic Supply Management ("SSM") Department, or the Canal Corporation SSM Department, 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 \$50,000 and a minimum of five providers and/or firms (if available) for purchases valued at \$50,000 and greater, commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance.
- B. Prospective bidders on Procurement Contracts may be prequalified by invitation advertised in the same manner as an RFP/RFQ (referred to as a Request for Qualifications and/or Request for Information ("RFI")). In such cases, proposals are requested only from those providers and/or firms whose prequalification submittals demonstrate sufficient ability and competence (including, but not limited to, the bidder's skill, judgment and business integrity) to supply the particular goods and/or perform the particular services required.
- C. The Canal Corporation 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 Canal Corporation does so at its own cost or expense and will not be reimbursed by the Canal Corporation for the preparation of any responsive document, unless otherwise agreed to in writing and signed by an authorized Canal Corporation representative.
- D. In order to promote the use of Minority- and Women-owned Business Enterprises ("MWBEs"), Service-Disabled Veteran-Owned Businesses ("SDVOBs") and Small Business Enterprises ("SBEs"), the Canal Corporation will solicit offers from such firms 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 definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.H, 2.L and 2.I, respectively. To foster increased use of MWBEs and SBEs, a single proposal may be sought, negotiated and accepted for discretionary purchases of goods and/or services not exceeding \$500,000, in the aggregate including all amendments, from a NYS-certified MWBE or an SBE that offers a reasonable price for such goods and/or services. An SDVOB may be awarded on the basis of a single proposal that offers a reasonable price for such goods and/or services without a dollar cap. The award of such proposal requires the written approval of the Vice President, SSM. 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, SSM. Furthermore, the award of such Procurement Contracts will be noticed on the *Contract Reporter* website, as further set forth in Section 3.H.
- 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 Canal Corporation 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 Canal Corporation that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Canal Corporation 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 Canal Corporation that are substantially produced outside New York State, or services other than construction services, sought by the Canal Corporation 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 Canal Corporation 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 NYPA’s President and CEO if the CEO determines in writing that it is in the best interests of the Canal Corporation to do so, as further set forth in the above-referenced law.
 6. Pursuant to Public Authorities Law § 2879, the Canal Corporation 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. Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (“OGS”)) or Federal government (e.g.,

General Services Administration ("GSA")) or any city or municipality where the White Plains SSM Department, or Canal Corporation SSM Department, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Canal Corporation and have approved the specifications and proposed terms and conditions of such contract.

Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a "mini-bid" (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts. Certain other Procurement Contracts issued by the Canal Corporation (e.g., for on-call consulting or contracting services) may also utilize a mini-bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Canal Corporation bid requirements, in order to satisfy multiple factors and needs as set forth in the bid document. Such mini bids shall be conducted by the Canal's Corporation SSM staff (or on behalf of the Canal Corporation by an Implementation Contractor) where applicable and practicable. Within a said multiple award group, work may be assigned to a specific firm without conducting a mini-bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Canal's Corporation needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini bid shall typically be made jointly by the Canal Corporation SSM Department and initiating departments and shall be documented for the Procurement Record.

- G. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; evaluation criteria (as defined in Section 4.B.); milestone dates; the Canal Corporation Supplier Diversity Program and SDVOB requirements, if applicable; all other applicable Canal Corporation requirements and any special methods or limitations that the Canal Corporation chooses to govern the work. Telephone solicitation, usually for procurements valued at less than \$50,000, 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. All solicitations made by telephone shall be documented and made part of the Procurement Record.
- H. For all Procurement Contracts with a value equal to or greater than \$50,000 (except for those contracts noted below), the Canal Corporation will, prior to soliciting proposals, submit all required information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, (www.nyscr.ny.gov) (unless such posting would serve no useful purpose). 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 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposal process, the Canal Corporation will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on

the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

This section 3.H does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.M, (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. (See Article 4-C, Economic Development Law)

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 NYPA Vice President of Strategic Supply Management (SSM), and/or the head of the initiating department that does not complete its procurements through NYPA SSM or the Canal Corporation SSM 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 Canal Corporation.

Notwithstanding the foregoing, submittal of a notice / announcement of award for inclusion on the *Contract Reporter* website is required for Procurement Contracts with a value of \$50,000 or more awarded on a sole source or single source basis, including such discretionary contracts not exceeding \$500,000 awarded to Small Business Enterprises (SBEs) or MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, for discretionary awards on a single or sole source basis to SDVOB's, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for Procurement Contract bidding opportunities, in accordance with the afore-referenced law. Such notice shall specify the name of the awardee.

- I. In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, the Service-Disabled Veteran-Owned Business ("SDVOB") Act was signed into law on May 12, 2014. The SDVOB program provides for eligible Veteran business owners to become certified as a New York State Service-Disabled Veteran-Owned Business. The Division of Service-Disabled Veterans' Business Development within the New York State Office of General Services ("OGS") is responsible for certifying eligible SDVOBs, assisting agencies and authorities in complying with the law, and promoting SDVOB participation in the state's procurement activities. Under this program, contracts may be awarded on a non-competitive basis to NYS-certified SDVOBs for discretionary purchases. Alternately, contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of ~~value, and~~ value and advertised as such on the *Contract Reporter* website.
- J. Proposals for certain Services Contracts may also be solicited by competitive search, as follows:

For contracts where the scope of work cannot be well defined or quantified, or where selection requires evaluation of factors such as breadth and depth of experience in a unique or highly specialized field and suitability as a Canal Corporation 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 NYPA SSM Department or the Canal Corporation SSM Department staff will work with the initiating department to gather information from potential sources, that will include a description of the consultant/firm’s qualifications, résumés of key personnel, past experience and proposed billing rates.

- K. A Procurement Contract may be awarded on a Sole Source, 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 Enterprise or to a NYS-certified MWBE firm for discretionary purchases not exceeding \$500,000, pursuant to Section 3.D and as further set forth in Section 2.C.
 6. The contract is awarded to a NYS-certified SDVOB for a discretionary purchase
 7. The contract is for the discretionary purchase of goods and/or technology that are recycled or remanufactured, in an amount not exceeding \$500,000, as further set forth in Section 2.C and subject to the approvals stated in Section 3.D.
 8. The contract is for the discretionary purchase of commodities that are food, including milk and milk products, which are grown, produced or harvested in New York State, in an amount not exceeding \$500,000, as further set forth in Section 2.C and subject to the approvals stated in Section 3.D.
 9. Services are required on a more expedited basis than the competitive procurement process will allow. Requesting business units must demonstrate the urgency of the project and that awardee is cost-effective and qualified in the subject area. Services shall be for specific scopes of work in an amount not exceeding \$500,000 and are subject to the approvals stated in Section 3.D.
 - 8-10. 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.
- L. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Canal Corporation 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.

- M. Subject to the Canal Corporation 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 Canal Corporation employees or workers.
 2. Proper functioning of the Canal Corporation facilities or construction or operating projects requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- N. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the compelling reasons therefor to the NYPA Vice President, SSM. The award of such Procurement Contracts, regardless of value, requires the written approval of the NYPA Vice President, SSM, except as noted in Section 3.H.
- O. Every potential Sole Source or Single Source contract with a value of \$1 million or more must be approved by the NYPA President and CEO or the COO prior to processing by the NYPA SSM Department or Canal Corporation SSM Department.
- P. 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 NYPA Chief Executive Officer and Chief Financial Officer 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 NYPA Vice President, SSM or authorized designee.
- Q. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Canal Corporation 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 shall apply:

The “Restricted Period” is the period of time commencing with the earliest posting, on the Canal Corporation website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State *Contract Reporter*) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerors (i.e., bidders/contractors) intending to result in a Procurement Contract with the Canal Corporation and ending with the final contract award and approval by the Canal Corporation and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini-bid” process that may be utilized in certain established OGS, GSA or Canal Corporation multiple award contracts, as provided in Section 3.F.

The Canal Corporation shall designate a person or persons who may be contacted, with respect to each Canal Corporation procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Canal Corporation’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period.

- R. In furtherance of the Canal Corporation commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Canal Corporation who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987.
- S. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Canal Corporation to record in a database maintained by the New York State Office of General Services certain appearances between the Canal Corporation 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 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 Canal Corporation means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Canal Corporation means both “external” (e.g., a lobbyist) and “internal” (e.g., sales representative) representatives of an entity, individuals appearing on behalf of themselves, 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 Canal Corporation Ethics and Compliance Office for recording in the Project Sunlight database.
- T. Prior to entering into any binding relationship with a third party (e.g., written agreement or memorandum of understanding (MOU)) in pursuit of any joint or collaborative development project, the office of SSM and the Law Department (“Law”) must be notified regarding the procurement and on the issue of whether and to what extent the projects falls within the constraints of the Authority’s procurement

regulations and enabling legislation. SSM and Law should be brought into any such project in the development process.

Provided that the Authority has statutory authority to develop or otherwise participate in a project developed, in whole or in part, in collaboration with a third party, the following minimum criteria must be met:

- (i) the Authority's participation must be in response to a solicitation issued by the State or other public entity pursuant to a competitive selection process; and
- (ii) the construction of any asset to be owned by the Authority must comply with all applicable laws, including but not limited to prevailing wage requirements and goals established for the use of minority enterprises (e.g., minority- and women-owned business enterprise (MWBE), service disabled veteran owned business (SDVOB)); and
- (iii) goods and/or services required to develop and implement the project must be sourced and procured in accordance with, and subject to, either (a) the Authority's Procurement Guidelines; or (b) the requirements of the third party collaborator governing the competitive procurement of goods and services, provided that SSM has been furnished with a copy of such requirements which demonstrate, in SSM's judgement, that a competitive procurement or equivalent has been or will be undertaken.

Prior to execution any underlying agreement (i.e. joint development agreement, MOU, etc.) an internal award recommendation shall be memorialized and approved by the VP SSM and the responsible Business Unit head.

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 (including, but not limited to, the bidder's skill, judgment and business integrity), 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 Canal Corporation SSM 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 NYPA Vice President, SSM 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 Canal Corporation work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. 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.

Another factor to be considered in evaluating proposals may involve an assessment of the bidder's diversity practices, where applicable. Pursuant to Article 15-A of the Executive Law, diversity practices are the contractor's practices and policies with respect to utilizing NYS-certified MWBEs in contracts as subcontractors and suppliers, and entering into partnerships, joint ventures or other similar arrangements with NYS-certified MWBEs. A contractor's diversity practices may be assessed when: (1) a procurement is awarded on the basis of "Best Value" as described in Section 4.D. (but *not* when a procurement is awarded based upon "lowest price"); (2) the anticipated award is \$250,000 or greater; and (3) such assessment is practicable, feasible and appropriate. Such assessment shall not permit the automatic rejection of a bid or Procurement Contract proposal based on lack of adherence to diversity practices.

- C. For Services Contracts (as defined in Section 2.M 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 for Goods (as defined in Section 2.C-F 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. (See also Section 4.F regarding award to "other than low bidder".)

As a best practice and pursuant to State Finance Law § 163, the Canal Corporation may award on a "Best Value" basis for awarding contracts to the offeror that optimizes quality, cost and efficiency, among responsive and responsible offerors. Such basis shall reflect, wherever possible, objective and quantifiable analysis and may also identify a quantitative factor for offerors that are Small Businesses or NYS-certified SDVOB or MWBE firms.

- E. Pursuant to § 139-k of the State Finance Law, the Canal Corporation shall not award a Procurement Contract (as defined in Subsection 3.Q.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 Canal Corporation 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-k 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 Canal Corporation 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 and SDVOB goals; and overall, the bidder's skill, judgment and business integrity.
- 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 Canal Corporation may diverge from the specifications of any solicitation if, after review of the proposals responsive to such solicitation, the Canal Corporation 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, as well as Supplier Diversity Program requirements, as applicable.

6. AWARD OF CONTRACT

- A. Services Contracts (which include contracts for Construction, Personal and Non-personal services, as defined in Section 2.M.) valued or estimated to be \$5,000 or greater to be performed for a period of more than 12 months are approved and reviewed annually by the Canal Corporation Board of Directors. 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 Canal Corporation Board of Directors at the request of the initiating department and will be reviewed by the Canal Corporation Board of Directors annually. Extending a contract for services, that has previously been approved by the Canal Corporation Board of Directors, for a cumulative term of more than 12 months requires further Canal Corporation Board of Director approval.
- B. Extending a contract, previously approved by the Canal Corporation Board of Directors, for 12 months or less ("grace period") requires approval by the NYPA Vice President, SSM of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the NYPA Vice President, SSM.
- C. For Services Contracts valued or estimated to be \$5,000 or greater to be performed for a period of more than 12 months that must be awarded prior to the next quarterly Canal Corporation Board of Directors meeting, the initial contract will be issued for the entire intended term of the contract. Based on its total term and value, such contract must be approved in writing by the appropriate management as set forth in the EAPs. Such contract is subject to the Canal Corporation Board of Directors' approval, at the next quarterly Canal Corporation Board of Directors' meeting. If such approval is not granted, the contract will be terminated immediately.
- D. A contract or contract task valued or estimated to be \$5,000 or greater 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 Canal Corporation Board of Directors-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.
- E. The term of a Personal Services contract is limited to a maximum of five (5) years, including any extensions. However, at the sole discretion of the Vice President of SSM may approve a Business Unit's written justification for a contract term exceeding 5 years or reasonable extension of such a contract.

- F. For construction value contracts purchase order releases maybe issued up to the term limit of the value contract. The term of a construction purchase order release shall be as required to complete the work assigned. The term of the value contract shall be extended accordingly.
- E-G. Multiyear contracts for Goods (which include equipment, materials and supplies, as defined in Section 2-F) valued or estimated to be \$5,000 or greater are subject to the management approval thresholds established in the EAPs, and require Trustee approval only once those thresholds are exceeded.
- F-H. 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 Department Head, with the prior concurrence of the NYPA Vice President, SSM or equivalent(s) or designee, may authorize extending such contract, subject to the Canal Corporation Board of Directors ratifying such action as soon as practicable.
- G-I. 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 NYPA President and Chief Executive Officer or Chief Operating Officer or equivalent(s) or designee is required, subject to the Canal Corporation Board of Directors ratifying such action as soon as practicable.
- H-J. 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 NYPA Vice President, SSM or equivalent(s) or designee, may authorize in writing the commencement of such services. The initial compensation limitation may not exceed the authorization level for the NYPA 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 Canal Corporation Board of Directors approval, which will be solicited at their next scheduled Canal Corporation Board of Directors meeting.
- I-K. The NYPA SSM or the Canal Corporation SSM Department prepares the contract for execution by the Canal Corporation 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. Canal Corporation signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- J-L. Pursuant to Economic Development Law § 143, the Authority shall submit an announcement of the intended contract for inclusion in the procurement opportunities newsletter at the time it enters into a contract. Such announcement shall identify the contract, specify the date of the award of the contract and provide the name of and contact information for each recipient of the contract.

~~K-M.~~ Pursuant to Public Authorities Law § 2879, the Canal Corporation 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 Canal Corporation 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 NYPA SSM Department or Canal Corporation SSM Department: purchase order format (for standard procurements of goods and/or services); furnish-and-deliver format (for major equipment purchases); long form agreements (for consulting services) and maintenance agreement formats; 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.

Canal Corporation 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 NYPA SSM Department and the Canal Corporation SSM Department, which are 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. MWBE requirements
19. SDVOB requirements
20. 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 (MWBE) Participation Goal Requirement)
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 Opportunities 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) - inactive
14. Appendix "L" (DOE Federal Contract Provisions) - inactive
15. Appendix "M" (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology ("BART") for Heavy Duty Vehicles)
16. Appendix "N" (The New York State Iran Divestment Act of 2012 – Iranian Energy Sector Divestment)
17. Appendix "O" (Encouraging Use of New York State Businesses in Contract Performance) – inactive
18. Appendix "P" (Information Security Requirements for Vendors and External Partners)

- 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.

Furthermore, any firm, person or other entity retained by the Canal Corporation to provide conceptual studies, designs or specifications is prohibited from being awarded future phases of work, including implementation, related to the original work.

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;
3. There is no qualified response to the solicitation for future phases of work, including implementation; or
4. The originating Canal Corporation Department determines in writing that the restrictions are not in the best interests of the Canal Corporation. Such originating Department shall obtain the approval of the applicable Department Head or equivalent(s), NYPA Vice President, SSM or equivalent(s) or designee, NYPA Assistant General Counsel or equivalent(s) and NYPA 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.M 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 Canal Corporation customers; and
 5. To meet the Canal Corporation Supplier Diversity and SDVOB Program goals in accordance with Executive Law Articles 15-A and 17-B, respectively.
- B. All Change Orders must be approved in accordance with the Canal Corporation 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 Canal Corporation 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.

9. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES

- A. Former Canal Corporation officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their

engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Joint Commission on Public Ethics that such engagement is permissible; and upon approval of the NYPA President and Chief Executive Officer, as well as the Chairman of the Canal Corporation Board.

- B. Pursuant to the provisions of New York Public Officers Law § 73(8):
1. No Canal Corporation officer or employee is eligible, within a period of two years after the termination of Canal Corporation service to appear or practice before the Canal Corporation 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 Canal Corporation.
 2. No Canal Corporation officer or employee is eligible, at any time after the termination of Canal Corporation service, to appear, practice, communicate or otherwise render services before the Canal Corporation 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.
 3. Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Canal Corporation officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Canal Corporation, if, prior to engaging in such service, the Chairman of the Board of Directors certifies in writing to the New York State Joint Commission on Public Ethics that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Canal Corporation needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the reasons for such certification. The New York State Joint Commission on Public Ethics must review and approve all such certifications.
- C. No Canal Corporation employee who is involved in the award of Canal Corporation 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 Canal Corporation 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 Canal Corporation employee may take part in any contracting process or decision: (i) to a Relative; or (ii) to any entity in which the Canal Corporation employee or a Relative

of such Canal Corporation 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 in writing his or her supervisor and the Office of Ethics and Compliance 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.L of these Guidelines.

10. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS

The Canal Corporation strives to continue to foster the development of business opportunities on Canal Corporation contracts for MWBEs. 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 MWBEs 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 MWBE is included in Section 2.G of these Guidelines. The Canal Corporation aims to solicit proposals from NYS-certified MWBEs 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 MWBEs as required by law. Bidders’ proposals will include a completed preliminary Utilization Plan Form for MWBEs, as well as applicable EEO and Diversity Practices Forms, where required. 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. Final MWBE Utilization Plans for Construction contracts valued at more than \$100,000 shall be provided and 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 Canal’s Corporation Supplier Diversity Program documents, the following guidelines apply:

1. Identify those areas or types of contracts for which MWBEs 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 MWBEs providing the types of services procured by the Canal Corporation.
3. Maintain lists of qualified NYS-certified MWBEs, including professional firms that have expressed an interest in doing business with the Canal Corporation and ensuring that such lists are updated regularly. The Canal Corporation shall also consult the lists of NYS-certified MWBEs maintained by the DED pursuant to Executive Law Article 15-A.
4. Establish appropriate goals for participation by MWBEs in Procurement Contracts awarded by the Canal Corporation and for the utilization of MWBEs as subcontractors and suppliers by entities having Procurement Contracts with the

Canal Corporation. Statewide numerical participation target goals shall be established by the Canal Corporation based on the criteria set forth in Public Authorities Law § 2879.

5. Conduct procurements in a manner that will enable the Canal Corporation to achieve the maximum feasible portion of the goals established pursuant to Subdivision 4 of this Section and that eliminates barriers to participation by MWBEs in the Canal's Corporation procurements.
6. Designate one or more senior staff of the Canal Corporation to oversee the Canal's Corporation programs established to promote and assist participation by and utilization of NYS-certified MWBEs.

11. SERVICE-DISABLED VETERAN-OWNED BUSINESS ("SDVOB") PROGRAM REQUIREMENTS

The Canal Corporation also strives to foster the development of business opportunities for NYS-certified SDVOBs and to further increase participation by SDVOBs in Canal Corporation contracts, as set forth in Sections 2.-R and 3.I of these Guidelines and pursuant to Article 17-B of the Executive Law. One tool is the use of SDVOB discretionary purchasing, as further described in Sections 3.D, I and K of these Guidelines. Another tool authorized by the law is the use of set-asides, which permit the reservation in whole or in part of certain procurements by state agencies and authorities when more than one NYS-certified SDVOB is available and can provide the necessary goods or services to meet the Canal Corporation form, function and utility. The same dollar limits apply to SDVOB contracts as those set forth for MWBEs in Article 10 of these Guidelines.

Pursuant to Article 17-B of the Executive Law, the following guidelines apply:

1. Identify contracts where SDVOBs may best perform and/or where SDVOB goals are practical, feasible and appropriate for the purpose of increasing the utilization of SDVOB participation on Canal Corporation contracts.
2. Submit regular reports with respect to SDVOB Program activity, including but not limited to, utilization reporting and contract monitoring and compliance.
3. Achieve an overall goal of six percent for SDVOB participation on Canal Corporation contracts.

12. DISADVANTAGED BUSINESS ENTERPRISE ("DBE") PROGRAM REQUIREMENTS ON PROJECTS THAT ARE FEDERALLY FUNDED

The Canal Corporation ("Canals") strives to foster the development of business opportunities for NYS certified DBEs and to further increase their participation in Canals Federally funded contracts. The Canals aims to solicit proposals from DBEs for procurements that will be partially or fully federally funded. The Canals follows the DBE guidelines as set out by The Federal Department of Transportation ("DOT"). NYS DOT is tasked with certifying eligible small businesses as DBEs in New York State.

The Canals is committed to promoting participation of DBEs in Canals contracting opportunities in accordance with federal law and regulations and seeks to achieve the following objectives:

1. To ensure nondiscrimination in the award and administration of Federally funded contracts in the canals and waterways;
2. To create a level playing field on which DBEs can compete fairly for Federally funded contracts;
3. To ensure that the Canals' DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet this Federal eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in Federally funded contracts;
6. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities.
7. To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
8. To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

13. PROCUREMENT RECORD AND REPORTING

A. Procurement Record

The NYPA SSM Department or the Canal Corporation SSM Department maintains records of Procurement Contracts. In addition to bid- and contract award-related documents for the goods provided and/or services performed, the Procurement Record includes, but is not limited to, documentation of the decisions made and the approach taken in the procurement process. Such records may be transmitted to a digital warehouse for electronic storage and retrieval.

B. Procurement Report

After the end of each calendar year, the NYPA Vice President, SSM or equivalent(s) will prepare and submit an annual report to the Canal Corporation Board of Directors 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 MWBE 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 equal to or greater than \$50,000 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 Canal Corporation Board of Directors, 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 Canal Corporation 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 Canal Corporation decision not to award a bidder/contractor the Procurement Contract must be included in the Procurement Record.
 2. The Canal Corporation 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 Canal Corporation 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 Canal Corporation's Budget Office through the Public Authorities Reporting Information System ("PARIS").
- F. The NYPA Vice President, SSM or equivalent(s) will also prepare Annual Goal Plans for the MWBE and SDVOB programs and will submit them by January 15 of each year to Empire State Development - Division of Minority and Women Business Development and the New York State Office of General Services - Division of Service-Disabled Veterans' Business Development, respectively. Quarterly Utilization / Activity Reports for each program will also be prepared and submitted to the aforementioned respective state entities by the 15th day of July, October, January and April.

14. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS

- A. These Guidelines are intended for the guidance of officers and employees of the Canal Corporation 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.



Date: December 1, 2020

To: GOVERNANCE COMMITTEE

From: VICE PRESIDENT AND CORPORATE SECRETARY

Subject: Proposed 2021 Schedule of Meetings

The following schedule of meetings for the year 2021 is recommended:

Date	Boards/Committees	Venue
January 19 (Tuesday)	Finance Committee	Video
January 26 (Tuesday)	Cyber Committee	Video
	NYPA/Canal Board	Video
March 18 (Thursday)	Audit Committee	Video
	Finance Committee	Video
March 30 (Tuesday)	Governance Committee	Video
	NYPA/Canal Board	Video
May 12 (Wednesday)	Finance Committee	Video
May 25 (Tuesday)	NYPA/Canal Board	Video
July 15 (Thursday)	Audit Committee	Video
	Finance Committee	Video
July 27 (Tuesday)	Cyber Committee	WPO
	NYPA/Canal Board	WPO
September 21 (Tuesday)	Finance Committee	Video
September 30 (Thursday)	Governance Committee	WPO
	NYPA/Canal Board	WPO
November 16 (Tuesday)	Finance Committee	Video
December 7 (Tuesday)	Board Training	WPO
December 8 (Wednesday)	Audit Committee	WPO
	NYPA/Canal Board	WPO

RECOMMENDATION

The President and Chief Executive Officer and I support the proposed 2021 meeting schedule as set forth in the foregoing memorandum.

I recommend the approval of the proposed schedule by adoption of the resolution below.

Karen Delince
Vice President & Corporate Secretary

RESOLUTION

RESOLVED, That the Governance Committee approves the 2021 meeting schedule, as set forth in the foregoing memorandum of the Vice President and Corporate Secretary, be, and hereby recommends its adoption to the Authority's Trustees and Canal Corporation Board of Directors .



Date: December 1, 2020
To: GOVERNANCE COMMITTEE
From: Chairman John Koelmel
Subject: Committee Appointments

SUMMARY

The Governance Committee is requested to review the committee appointments indicated below and to recommend its adoption to the Authority's Trustees and the Canal Corporation Board of Directors.

BACKGROUND and DISCUSSION

The recommended membership of the joint Authority and Canal Committees follows:

Audit Committee

John R. Koelmel, Eugene L. Nicandri (Chair), Tracy B. McKibben, Anthony J. Picente, Jr., Michael A.L. Balboni, Dennis G. Trainor

Finance Committee

John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben (Chair), Anthony J. Picente, Jr., Michael A.L. Balboni, Dennis G. Trainor

Governance Committee

John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben, Anthony J. Picente, Jr., Michael A.L. Balboni, Dennis G. Trainor (Chair)

Cyber and Physical Security Committee

John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben, Anthony J. Picente, Jr., Michael A.L. Balboni (Chair), Dennis G. Trainor

RECOMMENDATION

I recommend the above-requested action.

John R. Koelmel
Authority and Canal Corporation Chair

RESOLUTION

RESOLVED, That the Governance Committee recommends that the Trustees and the Canal Board of Directors adopt the following Committee Appointments:

Audit Committee

John R. Koelmel, Eugene L. Nicandri (Chair), Tracy B. McKibben, Anthony J. Picente, Jr., Michael A.L. Balboni, Dennis G. Trainor

Finance Committee

John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben (Chair), Anthony J. Picente, Jr., Michael A.L. Balboni, Dennis G. Trainor

Governance Committee

John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben, Anthony J. Picente, Jr., Michael A.L. Balboni, Dennis G. Trainor (Chair)

Cyber and Physical Security Committee

John R. Koelmel, Eugene L. Nicandri, Tracy B. McKibben, Anthony J. Picente, Jr., Michael A.L. Balboni (Chair), Dennis G. Trainor

December 1, 2020

Next Meeting

The next regular meeting of the Governance Committee is to be determined.