



**ERIE CANAL HARBOR DEVELOPMENT CORPORATION**  
at the offices of  
Empire State Development – Buffalo Regional Office  
95 Perry Street, Suite 500  
Buffalo, NY 14203

**Meeting of the Directors**

Monday  
April 27, 2015 – 10:30 AM

PROPOSED AGENDA

CORPORATE ACTION

1. Approval of the Minutes of the September 15, 2014 Directors' Meeting
2. ECHDC Procurements Guidelines – Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts
3. Inner Harbor Development - Phase 3A – Authorization Amend a Contract with C&S Companies for Engineering and Architectural Design Services for the Historically Aligned Canals and Associated Landscaping and Facilities; and Authorization to Take Related Actions
4. Buffalo Outer Harbor – Operations and Maintenance Memorandum of Understanding - Authorization to Enter into a Memorandum of Understanding for Operations and Maintenance of Property at Buffalo's Outer Harbor; and to Take Related Actions
5. Buffalo Outer Harbor – Capital Expenditure Memorandum of Understanding - Authorization to Enter into a Memorandum of Understanding for Capital Expenditure of Property at Buffalo's Outer Harbor; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

FOR INFORMATION

6. President's Report – Oral Report

**Item #1**

Erie Canal Harbor Development Corporation  
Meeting of the Directors  
Held at the Offices of Empire State Development  
– Buffalo Regional Office  
95 Perry Street – Suite 500  
Buffalo, New York 14203

September 15, 2014

MINUTES

In Attendance

Directors:

Robert D. Gioia – Chairman  
Julie M. Bargnesi  
Michael DiVirgilio  
Gary Ginsberg (via videoconference)  
Sam Hoyt  
Makau Mutua  
County Executive Mark Poloncarz  
Mayor Byron W. Brown

ECHDC Staff:

Thomas P. Dee, President  
Elizabeth R. Fine, General Counsel  
Maria Cassidy, Deputy General Counsel (via videoconference)  
Christopher Catanzaro, Assistant Project Manager  
Jill Clark, Financial Assistant Project Manager  
Kim Frazier, Assistant Project Manager  
Debbie Royce, Corporate Secretary (via videoconference)  
Kevin Smith, Assistant Project Manager

ESD Staff:

(Attending via  
videoconference)

Julia Borukhov, Financial Project Manager  
Ingrid Barbosa-Santiago, Director, Insurance, Contracts & Grants  
Compliance  
Stephen Gawlik, ESD - VP Capital Projects & Senior Counsel and  
ECHDC - Assistant Secretary (attending in Buffalo)  
Kevin Hansen, Director - Real Estate Development  
Khalid Husain, Staff Accountant  
Goldie Weixel, Senior Counsel

Also Present:  
(Attending in Buffalo)

Joan Bozer, 21<sup>st</sup> Century Park  
Jay Burney, Times Beach Nature Preserve  
Douglas Funke, Citizens for Regional Transit  
Bonnie Kane Lockwood, Office of Representative Brian Higgins

Also Present: (con't) Elizabeth Kauffman, 21<sup>st</sup> Century Park  
(Attending in Buffalo) Kenneth A. Manning, Phillips Lytle LLP  
William Brennan, Phillips Lytle  
Daniel Sack, Campaign for Greater Buffalo  
Lynda Schnukloth, Siena Club Niagara  
Gary Witulski, City of Buffalo – Office of City Planning  
Members of the Media  
Members of the Public

The meeting of the Erie Canal Harbor Development Corporation (the “Corporation”), was called to order at 10:30 a.m. It was noted for the record that the meeting was being webcast, and that the Directors had received all written material in advance of the meeting. Chairman Gioia then noted for the record the Corporation’s policy which welcomes public comments on the items on the current Agenda.

Before beginning with the substantive portion of the meeting, Chairman Gioia asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Director Bargnesi noted that she had a conflict in connection with the third item on the Agenda, the amendment to the contract for legal services with Phillips Lytle, LLP, and would be recusing herself from that vote. Noting that for the record, Chairman Gioia called on Tom Dee to present a request for authorization for the Corporation to enter into a contract for ferry services.

Mr. Dee stated that the proposed contractor is Buffalo Sailing Adventures, also known as Queen City Ferry, with a four year contract term in the amount of \$852,300 which includes

contingency. Mr. Dee reminded the Directors that there has been a lot of talking about what the Outer Harbor has to do with connectivity. He stated that the water ferry concept will provide enhanced services to the existing water taxi services and will provide connectivity.

Mr. Dee noted that Queen City Ferry is a local family owned and operated company and has been providing waterborne services out of Canalside since 2009 and have over 30 years of combined experience in operating passenger and educational vessels on waterfronts nationwide. He stated that it is currently operating one of the few small businesses at Canalside, and the owners have a proven record of success in providing engaging, authentic, and professional public access to Buffalo's waterways.

Mr. Dee advised that the Queen City Ferry Company has agreed to purchase a new, outfitted vessel that will allow increased bicycle ridership and that this change has been necessitated by the increase in bicycle ridership at Canalside and along the Outer Harbor bike path system, and ECHDC's goal to further enhance the Region's waterfront, bike trails network. He noted that the vessel is anticipated to cost approximately \$250,000.

With an operating season from Memorial Day to Labor Day, Mr. Dee stated that the previous ferry service saw an average annual ridership of over 5,000 passengers. With the new route being considered, Mr. Dee said that it would really make it a direct route to the Outer Harbor and make it much more convenient to the public and have it more affordable at \$2.00 per ride down from the current \$8.00 per ride.

Lastly, Mr. Dee noted the contract funds would be used totally to support all operations and maintenance and capital costs and that the revenue for the sale of roundtrip tickets, sponsorships and other income associated with the operations will be deposited in ECHDC's account.

In response to a call for questions from the Directors, County Executive Poloncarz asked what the expectation of growth going forward is on the passenger count for the operating season. In response, Director Hoyt pointed out that the ferry service is more of a tourist attraction to take a ride and see the Buffalo River and the Outer Harbor and is being used to establish connectivity and access to the Outer Harbor.

Chairman Gioia also added that it isn't fair to compare this ferry which is a direct back and forth to the current ferry that goes all the way around and hooks on to Wilkinson Point. He further stated that it really will give the linkage to the Outer Harbor and the bike path and the green belt so that it ties into not only the Inner Outer Harbor but the Outer Harbor as well. He said that the Corporation doesn't really know that actual number for the growth but he said no one expected the numbers of people coming to bike the Skyway or to come watch a soccer game on the Inner Harbor. He said this at least give people different alternatives to try and connect quickly to the Outer Harbor in a timely manner.

Mayor Brown then asked if, because the Corporation is buying Queen City Ferry Company a new boat, if there was an RFP on the contract and if other bidders were given the

opportunity to bid. Mr. Dee answered that the Corporation was relying on the Hillman's experience and past track record and are allowing them to choose the type of vessel. Mayor Brown stated for the record that he was a little concerned about the lack of a bid particularly since, through the contract, a boat was being purchased. He then asked if any new jobs would be created and Mr. Dee responded that while he didn't have the numbers, given the extension in time and because it's a bigger boat than is currently used, there should be new jobs created. Mayor Brown asked if consideration would be given to minority and female workers and Mr. Dee responded that is a mandate of the Corporation's for everyone that works for it.

Mayor Brown asked if the Hillman's have to enter into any new contracts to service this contract to which Mr. Dee responded not that he was aware. Chairman Gioia noted that there may be ancillary contracts regarding concessions and others that would go through the Corporation's approval process but that was again about creating excitement and activity and that he thinks the Corporation needs to be prepared to take advantage of those type of opportunities.

Mayor Brown asked if there would be a performance requirement in the contract to up the projected passenger numbers and encourage more people to take the trip to the Inner and Outer Harbor. Mr. Dee responded definitely and it will on the Corporation's website. Mr. Dee stated that with all the promotion activity and the demand for this type of ride that is expressed, he wouldn't be surprised if the ridership quadrupled. He also noted that while a market survey wasn't conducted, he anticipates it being significant.

Director Hoyt added that the Corporation is trying to accomplish trying to help the public get to the Outer Harbor consistently, affordably, and quickly in order to enjoy the incredible asset which includes the lighthouse and Times Beach. Mayor Brown then stated that he would want the Corporation to closely monitor and measure the amount of revenue generation to be put back into further development or further opportunities to transport people from the Inner Harbor to the Outer Harbor. Chairman Gioia agreed with Mayor Brown's request.

Director Mutua asked if Mr. Dee could provide further information on how the fare is decreasing from \$8.00 to \$2.00. Mr. Dee explained that the price reduction was to make the ride affordable. The \$8.00 fare was for a boat ride instead of paying for a ride to get from point A to point B with a quick turnaround. He noted that with this affordability, the ridership would quadruple and the connectivity that everyone talks about would be established. Chairman Gioia added that the idea started about a year ago when he and Director Hoyt went to Quebec City and flew out of Toronto Island Airport which has a similar ferry to transport passengers. He said the Corporation wants to have a quick solution to get hikers and bikers make a quick connection and to do it with a relatively reasonable expenditure.

In response to a call for comments from the public Doug Funke, President of Citizens for Regional Transit, responded that he wanted to applaud the ferry as a way to get to the Outer Harbor. He said it was an extension of the transit system which serves the public and provides a way of going back and forth without having to take a longer ride as the water taxi provides.

Further, Mr. Funke stated that the organization hopes the Outer Harbor becomes a park and not a development and if that's the case the ferry would be all that would be required to get the people back and forth. Lastly, he said that if there was to be development, it would require a bridge and the organization is again that and supports the idea of the ferry.

Daniel Sack, of the Campaign for Greater Buffalo, commented that like Mayor Brown he too questions the no bid contract. He also wondered if the ride wouldn't be shorter than thirty minutes and if rides could be more frequently. Director Hoyt said that the rides would perhaps happen more frequently based on necessity and popularity but wanted to stress that the time frequency needs to be reliable in order for it to work.

Jay Burney, from Times Beach Nature Preserve, stated that he stood at the Press Conference announcing this project and he thinks it's a great idea. He said he thought it will benefit the Outer Harbor and Times Beach and wanted to thank the Board for moving it forward.

Hearing no further questions or comments from the Directors and no further comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION - Queen City Ferry – Authorization to Enter into A Contract for Ferry Services; and Authorization to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Buffalo Sailing Adventures b/d/a Queen City Ferry Company to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to award a contract to Buffalo Sailing Adventures d/b/a Queen City Ferry Company for an amount of Seven Hundred Seventy-Four Thousand Eight Hundred Eighteen Dollars (\$774,818) with a 10% contingency of Seventy-Seven Thousand Four Hundred Eighty-Two Dollars (\$77,482) for a total not to exceed contract amount of Eight Hundred Fifty-Two Thousand Three Hundred Dollars (\$852,300) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to execute and deliver on behalf of the Corporation all documents, instruments and agreements that the President shall deem necessary and appropriate to carry out these resolutions.

\* \* \*

Mr. Dee then presented the request for the Corporation to enter into a Memorandum of Understanding/Funding Agreement in connection with the design phase of the First Buffalo Marina Improvements. He stated the funding would not exceed \$142,000 and the funding source is the New York Power Authority ("NYPA"). He pointed out that this is the reoccurring comment here, that there is direct connection to the Outer Harbor.

Mr. Dee advised that ECHDC and NYPA have had on-going discussions regarding a ferry stop at the First Buffalo Marina for the past few years. Further, he stated that given the increased focus on developing the Outer Harbor, public comments received, and the past several years of experience providing water ferry services, the two agencies have developed a

plan to incorporate a water ferry stop at the northern end of the First Buffalo Marina property and that this new ferry stop location will provide the most direct and efficient service route between the Inner and Outer Harbor.

Mr. Dee noted that NYPA selected Hatch Associates Consultants, Inc. (“Hatch”) for the scope of work at the First Buffalo Marina due to their extensive experience with state environmental reviews, permitting processes for DEC and Army Corps of Engineers. He said that to date, Hatch has already provided preliminary designs, cost estimates and has researched the required permits for the ferry related improvements. He further noted that their knowledge of the project site, existing conditions, and Buffalo River permitting process, as well as their familiarity with the NYPA permitting process provides them with a unique position to move the ferry improvements forward in an efficient and professional manner.

Mr. Dee explained that from a scope of work standpoint, there is a kickoff meeting with design criteria; final layout and design; environmental permitting; bid assistance and review of contract submittals; assistance during construction; preparation of drawings and full time construction oversight. Lastly, Mr. Dee stated that The Funding Agreement will reimburse NYPA for the design phase service costs directly related to the Project.

Hearing no questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – First Buffalo Marina Improvements (Design Phase) – Authorization to Enter into a Memorandum of Understanding/Funding Agreement; and Authorization to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds to be responsible; and be it further

BE IT RESOLVED, that the Corporation is hereby authorized to enter into a memorandum of understanding/funding agreement with the New York Power Authority (“NYPA”) for an amount not to exceed One Hundred Forty-One Thousand Nine Hundred Eleven Dollars (\$141,911) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to execute and deliver on behalf of the Corporation all documents, instruments and agreements that the President shall deem necessary and appropriate to carry out these resolutions.

\* \* \*

Chairman Gioia then entertained a motion to conduct an Executive Session pursuant to Paragraph (d) of the Subdivision one of Section 105 of the New York State Open Meetings Law which relates to discussions regarding proposed, pending or current litigation, more specifically, the Board will discuss litigation regarding the Canalside Project.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

EXECUTIVE SESSION - Pursuant to Paragraph (d) of the Subdivision 1 Section 105 of the New York State Open Meetings Law

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RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (d) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

\* \* \*

The Directors' meeting was temporarily adjourned to conduct an Executive Session. All persons were requested to leave the room with the exception of the Directors, members of senior staff and attorneys representing the Corporation. The Executive Session concluded and once back in Open Session, Chairman Gioia noted for the record that no votes were taken during the Executive Session. He then asked Steve Gawlik to present the item that was under consideration during Executive Session.

Mr. Gawlik explained that the Directors were being asked to increase Phillip Lytle LLP's retainer agreement by \$900,000 to a total amended amount of \$1.7 million dollars. He stated that the legal fees are associated primarily with defending litigation regarding Canalside but also would cover real estate and other legal matters that come up from time to time.

Hearing no questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, and with Director Bargnesi abstaining from the vote the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Procurement of Legal Services – Authorization to Amend a Contract for Environmental, Land Use and Real Estate Counsel and Related Litigation Services; and to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Erie Canal Harbor Development Corporation (the "Corporation"), the Corporation hereby finds Phillips Lytle, LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend a contract with Phillips Lytle, LLP in an amount not to exceed Nine Hundred Thousand Dollars (\$900,000) For a total contract

amount not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

\* \* \*

Chairman Gioia then asked Mr. Dee to proceed with his President's Report.

Mr. Dee stated that Canalside had its most successful summer yet and noted that the new "Our City. Our Waterfront." campaign has been extremely successful in helping Canalside become the place to be this summer. He advised that the unveiling of the public art "Shark Girl" sculpture by Casey Riodan Millard gave a lot of good press.

Mr. Dee stated that the second annual Buffalo Maritime Festival would take place September 19<sup>th</sup> through the 21<sup>st</sup> featuring the U.S. Brig Niagara.

Mr. Dee then gave an update on design noting that the Outer Harbor just completed the public meeting process and the Corporation is awaiting the preferred plan to be submitted; and review of the schematic design continues for the South Aud Block.

Mr. Dee then provided updates on current construction projects. He advised the Grain Elevator lighting construction is scheduled to begin in the next few weeks and the bids for the permanent extension of Central Wharf are due on September 26<sup>th</sup>. He stated that all three

bridges on the historically-aligned canals are installed; 90% of the granite is installed and the ice slabs are currently being poured in preparation of winter programming.

In closing, Mr. Dee reminded everyone to stay tuned to Canalside.com, the Facebook page and to the Twitter account as more fall and winter “Things to Do” will be added as Canalside is turned into a year-round destination.

Hearing no further business, Chairman Gioia adjourned the meeting at 11:35 a.m.

Respectfully submitted,

Debbie Royce  
Corporate Secretary

# **Item #2**



FOR CONSIDERATION

April 27, 2015

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: ECHDC Procurements Guidelines

REQUEST FOR: Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

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I. Background

At its April 2014 meeting, the Erie Canal Harbor Development Corporation (“ECHDC”) Directors adopted updated and revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, as mandated by §2879 of the Public Authorities Law (the “Guidelines”). There have been a small number of changes to relevant laws, as well as Executive Orders and directions to authorities, in the past year. Accordingly, the ESD Procurements Manager and staff from the Legal Department, supported by representatives of the Contracts Administration and Finance Departments, have engaged in a revision of the Guidelines. As a result, on March 19, 2015, the ESD Board adopted the revised Guidelines (the “2015 Guidelines”).

II. Procurement Contracts Guidelines Summary

The 2015 Guidelines attached to this memorandum set forth the policies and procedures to be followed by ESD and its subsidiaries including ECHDC, when seeking to contract for goods or services. It is required that each ESD subsidiary approve its own Procurement Guidelines in terms virtually identical to the proposed 2015 Guidelines, with any departure therefrom fully explained by the subsidiary Board. No deviation from the ESD approved guidelines is being recommended. It should be noted that these Guidelines do not have the force of law, and are intended as a statement of best practices and procedures. No contract is invalid merely because these guidelines have not been followed.

The proposed 2015 Guidelines define the universe of procurement transactions which are subject to the policies and procedures. Generally, all procurements by the Corporation must be competitive, except where State law provides for non-competitive sourcing (e.g., goods purchased from approved non-profit agencies for the blind, and procurements from the Office of General Services Centralized Contracts List). Based on the expected cost of procured goods and/or services, procurement contracts must be obtained after advertisement in the NYS

Contract Reporter, except in limited instances where an exemption is obtained, generally for sole or single source procurements when only one vendor offers the desired goods or services or when a single vendor has unique qualities or experience that obviate a competitive process. The proposed 2015 Guidelines explain the various means of obtaining goods and services in an open, accountable and transparent manner, including incorporation of the Corporation's Bid Opening Guidelines and the compilation of a Procurements Record for every covered Procurement Contract.

The proposed 2015 Guidelines comply with the applicable provisions of the Public Authorities Law, the State Finance Law and the State Tax Law. They are consistent with the State Procurement Council's Guidelines and with the Governor's directive that all state agencies and public authorities make responsible spending decisions, and that they be accountable for sufficient monitoring of their spending to ensure the highest level of fairness, non-discrimination, openness and transparency.

The proposed 2015 Guidelines are intended to be user-friendly and are set forth in a logical and coherent fashion that will assist staff in understanding the procedures to be followed and the substantive rules that govern procurements. Many of the changes from the 2014 Guidelines are the result of efforts to make them more readable and to flow in a more coherent fashion.

Many sources of help to users and information are included as clickable links, and virtually all required forms and ESD policy and procedure documents can also be accessed from within the document by hyperlinks. For obvious reasons, the hard copy of the proposed 2015 Guidelines presented to the Directors for approval cannot contain these links, but they are shown in highlight form.

There are no substantive changes to the 2014 Guidelines incorporated into the proposed 2015 Guidelines, because there have been no substantive changes in applicable law. Procedural improvements and clarifications have been incorporated, including a requirement that all bid openings take place at the Procurement Department office, or such other place as directed by the Procurement Officer.

### III. Recommendation and Requested Action

The Directors are requested to adopt the 2015 Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, effective as of the date of approval.

#### Attachments

Resolution

Proposed Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

April 27, 2015

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – ECHDC Procurements Guidelines -  
Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of  
Procurement Contracts

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BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the proposed 2015 Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, a copy of which is attached to the materials, be and hereby is approved and adopted as of the date hereof, and the President or her designee is authorized to promulgate the said Guidelines in electronic form and other media for the use of the staff of the Corporation, and to take such other and further action as may be deemed necessary or appropriate to effectuate the foregoing Resolution.

\* \* \*

Revised Procurement Guidelines 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION  
D/B/A EMPIRE STATE DEVELOPMENT  
Guidelines Regarding the Use, Awarding, Monitoring  
and Reporting of Procurement Contracts

Effective March 19, 2015

## Table of Contents

1. Overview and Requirements .....	1
1.1. Contracts covered, and not covered, by the Guidelines .....	1
1.2. Types of Procurement Contracts .....	2
1.3. General Procurement Principles.....	3
2. Procurement: Overview and Requirements.....	4
2.1. The Procurement Process Guide .....	4
2.2. NYS Preferred Sources .....	5
2.3. OGS Centralized Contracts .....	5
2.4. Commodities Contracts.....	5
2.5. Service Contracts.....	5
2.6. Discretionary Purchases .....	5
3. Contract Reporter Exemptions .....	6
3.1. Reasons for Exemptions.....	6
3.2. Authorization for Exemptions.....	7
4. How to Conduct a Competitive Solicitation.....	8
5. Approval to Advertise .....	9
6. Contents of ANY Procurement Solicitation .....	9
7. Types of Solicitations .....	10
7.1. General .....	10
7.2. Requests for Proposals (“RFP”).....	11
7.3. Requests for Statements of Qualification (“RFQ”).....	11
7.4. Requests for Expressions of Interest (“RFEP”) .....	11
8. Compliance with Other Laws .....	11
8.1. Compliance with State Finance Law § 139-j and 139-k (Lobbying).....	11
8.2. Compliance with State Tax Law § 5-a (Sales Tax Registration).....	13
8.3. Use of the Vendrep Form and Vendor Responsibility .....	13
8.4. Compliance with Executive Law Article 15-A: Contractor and Supplier Diversity.....	14
8.5. Compliance with Iran Divestment Act of 2012 .....	14
8.6. Encouragement of use of New York Businesses as sub-contractors and suppliers. ....	14
8.7. Project Sunlight.....	15
8.8. Publication on ESD Website .....	15
8.9. Standard-Form Attachments .....	15
9. Contract Reporter Advertising Process .....	15
9.1. Selection Criteria.....	16
9.2. Bid Opening Procedures.....	16
9.3. Bid Evaluation and Vendor Selection .....	17
9.4. Determination of Responsibility – “FLIP Review” .....	17
9.5. Procurement Record.....	18
10. Contract Approval.....	18
10.1. Board Materials.....	18
10.2. ESD Contract and Amendment Approval.....	19

11.	Steps After Contract Approval Is Obtained .....	21
11.1.	Commitment Request Package.....	21
11.2.	Contract Reporter Award Notification.....	22
11.3.	Extension/Amendment of Contracts .....	23
11.4.	Department of Budget (“DoB”) Approval .....	23
11.5.	OSC Post-Contract Approval of \$1,000,000+ Contracts .....	23
12.	Monitoring of Procurement Contracts .....	24
13.	Procurement Contracts Involving Former Officers of ESD .....	25
14.	Implementation of These Guidelines .....	25
15.	Reporting.....	25
15.1.	Quarterly Reports .....	25
15.2.	Annual Reports.....	25
16.	Effect on Awarded Contracts.....	26

NEW YORK STATE URBAN DEVELOPMENT CORPORATION  
D/B/A EMPIRE STATE DEVELOPMENT (“ESD”)

Guidelines Regarding the Use, Awarding, Monitoring and  
Reporting of Procurement Contracts

Effective March 19, 2015

1. Overview and Requirements

The following guidelines (the “Guidelines”) are applicable to the use, awarding, monitoring and reporting of procurement contracts of the New York State Urban Development Corporation, d/b/a Empire State Development and its subsidiaries (collectively, “ESD”). ESD is required to adopt procurement guidelines by Article 9, Title 4 of the Public Authorities Law. The same law requires annual review and updating of the guidelines by the ESD Board of Directors (“Board”), including subsidiary Boards.

These Guidelines are modeled on the New York State Procurement Guidelines published by the State Procurement Council (the “SPC Guidelines”). The SPC Guidelines apply to all state agencies and thus provide useful guidance for procurement by ESD (which is not a state agency as that term is defined in the SPC Guidelines). The SPC Guidelines cover some issues and procedures rarely encountered by ESD, but should be consulted by staff if a situation arises that does not appear to be covered in these Guidelines, since useful guidance may thereby be obtained. View the [SPC Guidelines](#).

In these ESD Guidelines, a person, firm or corporation who wishes to provide goods and/or services to ESD may be called a “**vendor**” or “**offerer**” or, when responding to a public solicitation for qualified vendors or expressions of interest in becoming an ESD vendor, a “**respondent**.”

1.1. Contracts covered, and not covered, by the Guidelines

Pursuant to Public Authorities Law § 2879 (2), “**Procurement Contracts**” are any written agreements for the acquisition of goods or services of any kind in the actual or estimated amount of five thousand dollars (\$5,000) or more. For purposes of compliance with anti-lobbying laws contained in State Finance Law § 139-j and 139-k (see p. 11), Procurement Contracts also include the purchase, lease or grant of any other interest in real property which involves an estimated annualized expenditure in excess of fifteen thousand dollars (\$15,000).

**Disposition of property** (real or personal) by ESD is not a procurement covered by these Guidelines, but is instead subject to ESD's Property Disposition Guidelines. However, where a property disposition requires a competitive process, that process should be conducted in accordance with these Guidelines.

Note that **loans and grants** made by ESD in furtherance of its economic development mission are not Procurement Contracts, but may be subject to certain provisions of these Guidelines, including OSC review and approval for grants over \$1 million (see p. 23)

A Contract or Memorandum of Understanding ("MOU") with a sister State agency or authority are not considered a Procurement Contract covered by these Guidelines. Note, however, that appropriate approval(s) as set out in these Guidelines (including Board approval based on the amount and/or duration of the agreement) may apply to MOUs.

In connection with certain of its projects, ESD may need to obtain a license from a governmental agency, authority, or company or a public utility in order to enter the licensor's premises and perform work. As a precondition to receiving the license, ESD can be required to enter into agreements with the licensor that prescribe conditions for work to be performed on the site, including work and/or oversight of work which must be performed by the licensor's personnel or contractors, as well as payment of licensor costs by ESD. Examples include licenses for work on rail and utility facilities. Agreements of this kind, often referred to as "**forced contracts**," are not covered by the competitive solicitation requirements of these Guidelines because ESD has no discretion or authority with respect to the work to be performed by the licensor's personnel and contractors. However, appropriate approval(s) as set out in these Guidelines (including Board approval based on the amount and/or duration of the agreement) would apply.

Procurement Contracts **up to and including \$50,000** may be handled by Purchase Order approved by Department Head, Procurement Department, Controller's Office and Contracts Administration. A formal competitive solicitation is not required, but these purchases should be made after obtaining three quotes whenever practicable. For further information, see Section 2.1 below or consult the Procurements Manager.

## 1.2. Types of Procurement Contracts

Procurement Contracts for personal services include legal, accounting, management consulting, investment banking, planning, training, statistical analysis, research, public relations, architectural, engineering, construction, surveying, appraisal, or other services of a consulting, professional or technical nature for a fee, commission or other compensation by a person or persons who are not providing such services as officers or employees of ESD. The reasons for the use of personal services include:

- a. Requirements of special expertise or unusual qualifications;
- b. Nature, magnitude or complexity of services required;
- c. Lack of sufficient in-house resources, support staff, specialized facilities or equipment;

- d. Lower cost;
- e. Short-term or infrequent need for the services; and
- f. Distance of the location(s) where the services must be performed from ESD offices or facilities.

The types of goods and services requiring Procurement Contracts include goods and services needed to proceed with an ESD project, or to support the administrative needs of ESD.

Thus, the types of goods that may be procured cover the entire spectrum, ranging from paper and pens to motor vehicles.

### **1.3. General Procurement Principles**

ESD's procurement process is designed to:

- Ensure fair and open competition;
- Guard against favoritism, improvidence, extravagance, fraud and corruption;
- Ensure that the results meet agency needs;
- Provide checks and balances to regulate agency procurement activities; and
- Protect the interests of ESD, the state and taxpayers.

Procurement Contracts are to be awarded on a **competitive basis** to the maximum extent practicable. Such awards are generally made after notice is published in the New York State Contract Reporter where the amount of the contract is **greater than \$50,000** and (regardless of the amount of the Procurement Contract) after the evaluation of proposals obtained, whenever practicable, from at least three qualified vendors or respondents. (See Section 7: Types of Solicitations).

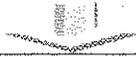
Competition in the procurement process serves both ESD and potential vendors by ensuring that the procurement process produces an optimal solution at a reasonable price; and allowing qualified vendors an opportunity to obtain ESD business, while the process guards against inflated pricing, favoritism, fraud and collusion; and allows all qualified vendors an opportunity to obtain ESD business.

## 2. Procurement: Overview and Requirements

### 2.1. The Procurement Process Guide

#### I. Procurements up to \$50,000

If ESD's procurement needs can be met by a preferred source vendor, we must use this option.



If ESD's needs cannot be met by a preferred source, you may elect to use an OGS Centralized contract. Wherever practicable, you should still solicit two other quotes if this option is selected.



If ESD's needs cannot be met by the above mentioned options, you may elect to use a discretionary purchase through the use of a NYS certified MWBE or a NYS Small Business up to \$50,000.



If ESD's needs cannot be met by the above mentioned options, you may elect use an informal solicitation. Contact the Procurement Unit for further assistance if needed.



If this is an emergency situation or only one vendor can meet the needs required for service, the initiating department head has to justify the need to Single Source or Sole Source this request on their justification memo.

#### II. Procurements above \$50,000

If ESD's procurement needs can be met by a preferred source vendor, we must use this option.



If ESD's needs cannot be met by a preferred source, you may elect to use an OGS Centralized contract. Wherever practicable, you should still solicit two other quotes if this option is selected.



If ESD's needs cannot be met by the above mentioned options, you may elect to use a discretionary purchase through the use of a NYS certified MWBE or a NYS Small Business up to \$200,000.



If ESD's needs cannot be met by the above mentioned, use a Request of Proposals ("RFP"), Request for Qualifications ("RFQ") or Request for Expressions of Interest (RFEI"), and advertise in the Contract Reporter if this is not an emergency situation and ESD's needs can be met by more than one vendor.



If this is an emergency situation or only one vendor can meet the needs required for service, obtain a Contract Reporter Exemption from the Legal Department using Single Source or Sole Source exemption as appropriate.

## **2.2. NYS Preferred Sources**

Goods and services needed by ESD may be available, without the need for competitive procurement from New York State Preferred Sources. If a Preferred Source has goods or services available in the form, function and utility required by ESD, at a price not more than 15% above the prevailing market rate, the goods or services should be obtained through the Preferred Source in the following prioritized order: NYS Department of Correctional Services Correctional Industries Program (CORCRAFT); approved charitable non-profit agencies for the blind; and approved charitable non-profit agencies for the severely disabled, qualified programs for the mentally ill, and qualified veterans workshops. For information on these Preferred Sources, see SFL § 162 and the Office of General Services' Preferred Sources Guide.

## **2.3. OGS Centralized Contracts**

Goods and services needed by ESD may be available, without the need for competitive procurement, through centralized contracts held by the NYS Office of General Services ("OGS"). Information about centralized contract offerings can be obtained from the list of approved state contractors maintained by OGS.

Note that even if a OGS centralized contractor is available, it is recommended that staff obtain three price quotes from other OGS contractors or other vendors not on the OGS list, unless a compelling justification exists (e.g., experience with a particular project).

## **2.4. Commodities Contracts**

The OGS Procurement Services Group (PSG) establishes centralized contracts for commodity contracts in the form, function and utility required by State agencies, for a wide range of items commonly acquired by agencies. If the commodity is available from a centralized contract in form, function and utility consistent with ESD's need, such item may be purchased from the centralized contract. However, ESD may competitively procure items otherwise available on a centralized contract when the resultant price is less.

## **2.5. Service Contracts**

ESD has discretion to use the OGS centralized service contracts list. A wide and diverse range of services from routine maintenance to complex technology-based acquisitions are available through these OGS contracts. Again, ESD may competitively procure items otherwise available on the OGS centralized contract list when the resultant price is less.

## **2.6. Discretionary Purchases**

ESD may purchase services or commodities from small business concerns or those certified pursuant to Article 15-A of the Executive Law (Minority and Women-Owned Businesses), or

commodities or technology products that are recycled or remanufactured, in an amount not exceeding two hundred thousand dollars (\$200,000) without a “formal competitive process.” In such a case, three quotes should be obtained wherever practicable, and Contract Reporter advertising is advisable when time permits. The award of a discretionary purchase contract should be notified in the Contract Reporter. For more information on discretionary purchases see [www.ogs.ny.gov](http://www.ogs.ny.gov).

### **3. Contract Reporter Exemptions**

#### **3.1. Reasons for Exemptions**

Advertising a procurement in the Contract Reporter is generally required unless specific grounds exist that constitute a reason for exemption. A Contract Reporter exemption may be granted by the Officer(s) specified in Attachment A to these Guidelines, only if any of the following circumstances can be demonstrated:

- (a) **Sole Source**. Only one source for the goods or services is available. Three examples of sole source procurements: (i) proprietary software compatible with ESD operating systems that no-one else offers; (ii) a printer’s warranty requiring that only a toner cartridge supplied by the manufacturer could be used without voiding the warranty; (iii) a vendor has developed a proprietary system for remediating contaminated land, unavailable from anyone else.
- (b) **Single Source**. The required goods or services are available from two or more vendors, but a particular vendor is preferable because of specific factors such as, without limitation, past experience with a particular issue; familiarity with ESD’s operations; experience with similar projects of ESD, other agencies or at other levels of government; demonstrated expertise; or capacity and willingness to respond to the situation. An example would be an environmental consultant who worked on an EIS for a project and now a Supplemental EIS is required for the same project; many consultants could do the work, but the original consultant’s familiarity with the project justifies selection as a single source.
- (c) **Emergency Circumstances**. Emergency circumstances exist when an urgent and unexpected situation arises which places public health or safety or the use or conservation of resources at risk and requires immediate action. Poor or late planning does not constitute an emergency. Contracts entered into as a result of an emergency situation should only cover the goods or services reasonably necessary to stabilize, ameliorate or remedy the situation. An example is a hazardous condition at a building owned by ESD: a contractor can be hired immediately to deal with the situation.

**NOTE:** Notwithstanding any Contract Reporter exemption that may be granted for any of the reasons set forth above, a reasonable attempt should be made wherever practicable to solicit at least three competitive bids, with written confirmation of the bids furnished within a reasonable time and maintained in the contract file. Also, any sole or single source contract awarded over \$50,000 should be notified in the Contract Reporter (Economic Development Law, ' 143 (4)).

### **3.2. Authorization for Exemptions**

The initiator of the proposed contract must obtain a written Contract Reporter exemption authorization. This is done by means of a memorandum to the Officer(s) specified in Attachment A to these Guidelines.

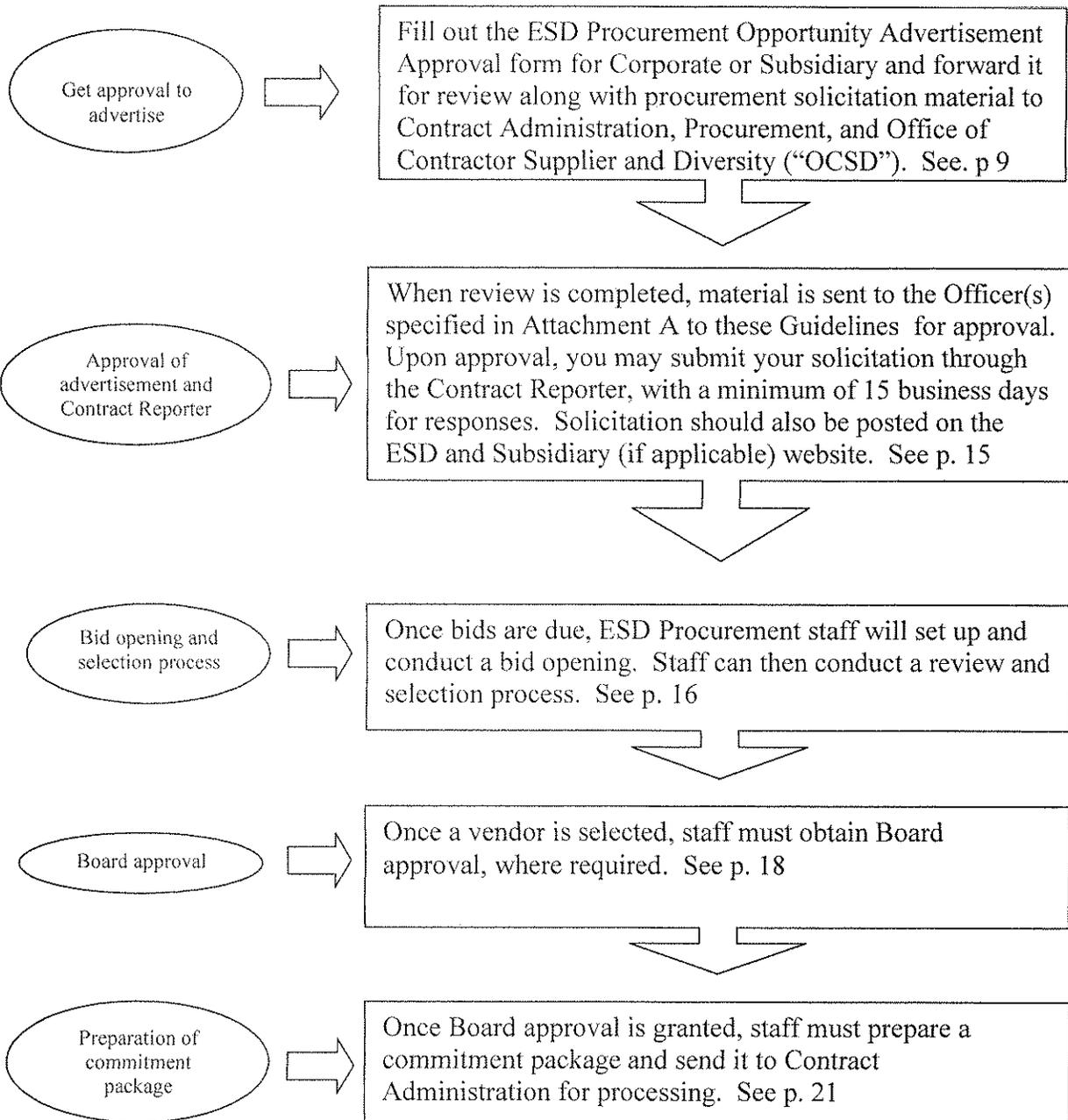
The memorandum requesting the exemption must document in reasonable detail: the circumstances establishing the exemption justification; a description of the goods or services to be acquired via the exemption; description of funding source; any alternatives considered; and the basis for determining that the cost of the proposed contract is reasonable under the circumstances.

If the proposed contract amount is greater than \$50,000, or will last more than one year, the exemption authorization should be obtained before ESD Board's approval. If Board approval is not required because the proposed amount is less than \$50,000 and the term of the contract is less than one year, the exemption authorization should be obtained from the Officer(s) specified in Attachment A to these Guidelines prior to contract execution and the commencement of any services or delivery of any goods.

Note that even if a Contract Reporter exemption is granted, compliance with SFL § 139-j and 139-k and State Tax Law § 5-a must still be satisfied (see p.11). Where appropriate, a statement from the staff initiator that the price obtained for the goods or service is compatible with market pricing must be presented with the exemption request.

At the time ESD enters into a contract with a single or sole source provider for an amount in excess of \$50,000, ESD shall submit an announcement of the contract for inclusion in the Contract Reporter, and shall specify the recipient of the contract.

#### 4. How to Conduct a Competitive Solicitation



## **5. Approval to Advertise**

Prior written approval of the Officer(s) specified in Attachment A to these Guidelines is required when you need to advertise a procurement opportunity, including Requests for Proposals (“RFPs”), Requests for Statements of Qualifications (“RFQs”) and Requests For Expression of Interest (“RFEIs”) (See Section 7: Types of Solicitation).

Note also that other approvals may be required to comply with State Division of Budget procedures (see Section 11.4). Submit the ESD Procurement Opportunity Advertisement Approval form (select Corporate or Subsidiary) to the appropriate officer at least 10 business days in advance of the relevant New York State Contract Reporter publication submission date. The Contract Reporter is now published daily.

## **6. Contents of ANY Procurement Solicitation**

Whether the procurement is formal (such as an RFP, RFQ or RFEI) or informal (such as procurement for \$50,000 or less, or a Discretionary Purchase from an MWBE for less than \$200,000) the same basic information should be included in the solicitation:

- (i) What goods are being sought or what scope of services is desired;
- (ii) What the length (“term”) of the resultant contract will be;
- (iii) What criteria will be used in evaluating bids, and how those criteria are weighted? For example, price, bidders’ expertise, past history of government contracts, references/testimonials;
- (iv) Where known, the maximum price that ESD is prepared to pay for the goods or services;
- (v) A schedule of relevant dates (when bid is due, when questions may be asked or briefing meetings held, etc);
- (vi) ESD’s insurance requirements;
- (vii) ESD’s required diversity and minority participation (MWBE) goals;
- (viii) Disclosure to bidders that they must be able to demonstrate that they are responsible bidders, in good standing under the laws of New York and capable of fulfilling the requirements of the contract, and untainted by past non-performance or criminality;
- (ix) A copy of the contract that the successful vendor will be expected to agree to (generally, ESD’s Short Form Contract and Schedule A);
- (x) VENDREP Form where needed (See Sections 8.3 and 9.4);

- (xi) Encouragement of use of New York State businesses as sub-contractors or suppliers (See Section 8.6).

## 7. Types of Solicitations

### 7.1. General

There are a number of procurement techniques available, including Request for Proposals (RFP) and Request for Statements of Qualifications (RFQ) and, rarely, Requests for Expressions of Interest (RFEI). When selecting among these various approaches, the determining factors are:

- The importance of price or cost as a component in the review of incoming bids or proposals; and
- The ability to define specifications for goods or services being acquired, or to obtain those specifications from potential vendors (where the RFEI may be useful).

Generally, contracts for goods are to be awarded on the basis of “lowest price” and contracts for services are to be awarded on the basis of “best value” among responsive and responsible vendors. “Best value” is the basis for awarding service and technology contracts to the vendor that optimizes quality, cost and efficiency, among responsive and responsible vendors. The basis for a “best value” contract award must be, wherever possible, quantifiable. However, all procurement solicitations issued by ESD are to be guided by the same basic principles:

Clarity: Procurement documents should clearly convey to vendors what it is ESD wants to buy;

Fairness: No vendor should be advantaged over another. All information concerning the solicitation shall be conveyed in writing to all vendors participating in the process, including but not limited to process rules and evaluation criteria;

Openness: All relevant vendors should have an equal opportunity to respond to the offering.

Disclosure of Selection Criteria: The criteria for awards should be developed before bids/proposals are received. Vendors should know generally the basis upon which their offers are being judged. Note that if cost is weighted below 20%, a written justification for such weighting should be prepared and included in the Procurement record;

Efficiency: The process should be efficient, fair and able to withstand public scrutiny.

## **7.2. Requests for Proposals (“RFP”)**

RFP’s solicitations may range from relatively uncomplicated procurements to highly complex, long term efforts involving the significant commitment of both ESD and vendor resources.

RFPs follow a common format, focusing on a description of tasks including, but not limited to:

- Description of program objectives and background;
- Scope of services to be provided;
- Detailed requirements or specifications (required qualifications of vendors, “what” is needed and “how” services should be provided). Note that the terms of the RFP may not be knowingly tailored to favor a particular vendor.

## **7.3. Requests for Statements of Qualification (“RFQ”)**

RFQ’s are appropriate for retention of qualified pools of contractors to provide defined types or scopes of services (and, rarely, goods) required by ESD on a regular or semi-regular basis as the need arises; or to select professional services to be rendered at pre-established rates. Competitive establishment of a pool or list of pre-qualified vendors is appropriate, for example, in the case of contractors or property appraisers. If ESD has established a list of pre-qualified contractors, unless services will be rendered by all qualified vendors at rates not to exceed a pre-set maximum, three quotes should be obtained from vendors on the list, and/or from vendors known to ESD outside the list.

## **7.4. Requests for Expressions of Interest (“RFEI”)**

RFEIs are generally appropriate when ESD does not know the precise scope of services or goods required, and wishes to obtain this information from prospective vendors. An example would be a proposal for adaptive re-use of ESD or other state surplus property, where the re-use is likely to be dependent on the prospective respondents’ needs or ideas.

# **8. Compliance with Other Laws**

## **8.1. Compliance with State Finance Law § 139-j and 139-k (Lobbying)**

State Finance Law (“SFL”) § 139-j and 139-k apply to all Procurement Contracts over \$15,000, regardless of whether the contract was competitively bid.

Among other things, SFL § 139-j and 139-k: (i) govern permissible communications between potential vendors, and staff of ESD, its subsidiaries, or other involved governmental entities during the procurement process; (ii) require the disclosure of such communications, as well as prior determinations of vendor non-responsibility; and (iii) establish sanctions for knowing and willful violations of such provisions, including disqualification from eligibility for an award of any contract.

Specifically, SFL § 139-j and 139-k require that only permitted ESD and subsidiary contact person(s) identified in solicitation materials may communicate with potential bidders regarding the solicitation, from the issuance of the earliest written notice of a request for proposal through the final award and approval of any resulting contract. This period is defined by law as the “Restricted Period.”

SFL § 139-j (6)(b) also requires potential vendors to complete the Offerer’s Affirmation of Understanding and Agreement to comply with ESD’s procedures relating to permissible contacts. This written affirmation is deemed to apply to any amendments to a procurement submitted by ESD after an initial affirmation is received with an initial bid.

SFL § 139-k governs the disclosure of prior non-responsibility determinations by potential vendors. SFL § 139-k(5) requires potential vendors to certify that the information they provide to ESD for consideration in its determination of vendor responsibility is true and accurate.

Therefore, all prospective vendors must complete and submit two forms mandated by SFL ' § 139-j and 139-k as part of their proposals: 1) the Offerer’s Affirmation of Understanding and Agreement; and 2) the Offerer’s Disclosure of Prior Non-Responsibility Determinations.

When contacted during the Restricted Period, ESD staff, must obtain the following information: the name, address, telephone number, place of principal employment and occupation of the person or organization making the contact. Further, ESD staff must inquire whether the person or organization making the contact was the offerer or retained, employed or designated by the offerer. All such recorded contacts must be included in the procurement record for the procurement contract.

In addition, ESD staff must record any contacts that reasonably appear to be an attempt to influence the procurement process as well as contacts with staff members other than the designated contact person(s) during the Restricted Period of procurement. However, SFL § 139-j and 139-k do not prohibit an offerer from communicating with a member of the state legislature or legislative staff about a government procurement, provided such member of the state legislature or legislative staff is acting in his or her official capacity. If a vendor is found to have knowingly and willfully violated the State Finance Law provisions, that prospective vendor and its subsidiaries, related or successor entities will be determined to be a non-responsible vendor, and will not be awarded any contract issued pursuant to the solicitation. Two such findings of non-responsibility within a four-year period can result in debarment from obtaining any New York State government procurement contract.

For further guidance, ESD staff engaged in the procurement process should review ESD’s policy regarding permissible lobbying contacts, and the required language for solicitations by ESD and its subsidiaries to ensure compliance with SFL § 139-j and 139-k.

Note that, once a recommended vendor has been selected after compliance with the competitive bidding process, it may be necessary for staff members to negotiate contract terms, etc., with the designated vendor. Those negotiations are not prohibited, and need not be conducted only by the designated contact person, although it is good practice to have the contact person present. However, any communication from a person other than the vendor that may reasonably be

considered to be an effort to influence the negotiation of a contract (either positively or negatively) is an impermissible contact and must be reported as such. For example: an ESD employee who is in the process of negotiating the terms of a land development deal which the Board has not approved, receives a call from an outside person saying that the vendor should get more development land because the vendor has a wonderful track record. Such a call constitutes lobbying and must be reported as such. The caller should be informed that the call will be reported, and asked to communicate directly with the designated contact person in the future.

### **8.2. Compliance with State Tax Law § 5-a (Sales Tax Registration)**

State Tax Law § 5-a prohibits ESD and its subsidiaries from approving any contract valued at more than \$100,000 with any entity if that entity or any of its affiliates, subcontractors or affiliates of any subcontractor makes sales within New York State of tangible personal property or taxable services having a value over \$300,000 during the four quarters preceding the proposed contract date, and is not registered with the Department of Taxation and Finance (“DTF”) for sales and compensating use tax purposes.

Accordingly, all respondents to a solicitation where the amount of the contract is expected to exceed \$100,000 must include in their responses a properly completed Form ST-220-CA. However, if a vendor is not registered with DTF because of a lack of sales of over \$300,000 within the relevant period, the vendor must submit an affidavit so certifying. Note also that § 5-a does not apply to contracts for architectural, engineering or surveying services. If in doubt, contact the ESD legal department after having reviewed DTF Publication 223.

Failure to include a properly completed form ST-220-CA or affidavit may be a basis for considering any such response incomplete. However, the vendor or respondent should be given an opportunity to cure such failure, because some agencies do not require the form until contract signing, and vendors may not realize that ESD practice is different. Only the primary respondent vendor completes Form ST-220-CA, but Schedule A to Form ST 220-CA requires detailed information from the vendor’s sub-contractors, such as tax ID number, etc. If applicable, certificates of authority evidencing registration with DTF for sales tax purposes must be attached by the prime vendor and all the sub-contractors.

Further in accordance with the requirements of § 5-a, any contract resulting from a solicitation will require periodic updating of the certifications contained in Form ST-220-CA.

### **8.3. Use of the Vendrep Form and Vendor Responsibility**

As required by Executive Order, all vendors must be found to be “responsible”, and remain so through the term of the contract. The Office of the State Controller has developed a useful resource, the VENDREP form, which should be requested from all bidders for contracts where a Vendor Responsibility determination will be needed (most contracts, and all which will require Board approval). See Section 9.4 below for further guidance on vendor responsibility. The Vendrep forms can be accessed here: [www.osc.state.ny.us/vendrep/webresources.htm](http://www.osc.state.ny.us/vendrep/webresources.htm).

#### **8.4. Compliance with Executive Law Article 15-A: Contractor and Supplier Diversity**

All Procurement Contracts must comply with the requirements of Executive Law Article 15-A, which promotes employment and business opportunities for minorities and women on State contracts “to encourage and assist State agencies in their efforts to increase participation by minority and women-owned business enterprises (“MWBEs”) on State contracts so as to facilitate the award of a fair share of such contracts to MWBEs.”

Where practical, feasible and appropriate, ESD shall promote and assist participation by minority and women-owned businesses in the selection and award of all contracts. Such minority and women-owned business participation shall be documented in a regular supplement, prepared by ESD’s Office of Contractor and Supplier Diversity (“OCSD”), for inclusion in the quarterly and annual reports made by Contracts Administration to the Board. To assist in the gathering of this information, the originator must provide OCSD with a completed Schedule of Minority/Women Business Participation, from the potential contract awardee, for OCSD’s review and approval, prior to contract award. The required forms are accessible [here](#).

#### **8.5. Compliance with Iran Divestment Act of 2012**

Every bid or proposal made to ESD pursuant to a competitive solicitation as provided in these Guidelines must contain the following statement, signed by the bidder or respondent and affirmed as true under penalty of perjury:

"By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to paragraph (b) of subdivision 3 of section 165-a of the state finance law."

The list in question is maintained by OGS. No bid that fails to certify compliance with this requirement may be accepted as responsive, unless the bidder includes a statement in compliance with the Iran Divestiture Act (contact the Legal Department for guidance in such a case).

#### **8.6. Encouragement of use of New York Businesses as sub-contractors and suppliers.**

The Secretary to the Governor has issued a directive that provides that all vendors who anticipate using sub-contractors or suppliers to fulfill procurement contracts must be encouraged (but not required) to use New York State businesses. All procurement solicitations of any kind must include specific language aimed at such encouragement. The model language can be accessed [here](#).

[http://intranet.empire.internal/Resources/Data/Procurement/03042014\\_NYS\\_SubcontractorsandSuppliers.pdf](http://intranet.empire.internal/Resources/Data/Procurement/03042014_NYS_SubcontractorsandSuppliers.pdf)

### **8.7. Project Sunlight**

Project Sunlight is an important component of the Public Integrity Reform Act of 2011 that was passed by the Legislature and signed by the Governor. Under this law, the state governmental entities specified in the law are required to cooperate with the Office of General Services (OGS) and identify in a database developed by OGS all individuals, firms or other entities (other than State or local governmental agencies) that appear before such entity on behalf of themselves or in a representative capacity on behalf of a client or customer for any of various specified purposes. This includes appearances related to (a) procurement, (b) ratemaking, (c) regulatory matters, (d) judicial or quasi-judicial proceedings, (e) adoption or repeal of a rule or regulation.

Project Sunlight's reporting requirement for procurement appearances applies to those appearances that are for the purpose of procuring a State contract, irrespective of whether there is a governmental procurement planned. Thus, reporting is required for appearances relating to State contracts for which a Restricted Period under the Procurement Lobbying Law has not been established and without regard to whether a governmental procurement is anticipated. Appearances during the Restricted Period—whether they are bid clarification meetings or bid interviews or any other permissible contact under the State Finance Law do not need to be reported. As well as, appearances following the award of a State contract do not need to be reported.

### **8.8. Publication on ESD Website**

Competitive solicitations must be made available on the ESD (and subsidiary, if applicable) website after advertisement in the NYS Contract Reporter. This website is also the appropriate place to post Questions and Answers regarding the procurement. (See Section 9: Contract Reporter Advertising Process).

### **8.9. Standard-Form Attachments**

Procurement Contracts, which includes amendments to existing contracts, should include ESD's standard forms, including as appropriate ESD's Standard Short Form Contract as well as further required contract terms (Schedule A for consultants or law firms,; ESD's Non-Discrimination and Affirmative Action Provisions and Schedule of Minority/Women Business Participation; SFL § 139-j and 139-k and State Tax Law § 5-a (or affidavit of non-applicability). Insurance requirements must be obtained from Contract Administration for all solicitations and, if needed, must be included with the forms.

## **9. Contract Reporter Advertising Process**

As stated above, ESD must advertise in the New York State Contract Reporter all contracts for the acquisition of goods and services of \$50,000 or more, unless an exemption is granted. In order to access the online system and place the advertisement, the initiator should contact Contracts Administration.

The minimum time for vendors to respond to a Contract Reporter solicitation is 15 business days (i.e., Saturdays, Sundays and legal holidays are excluded). View the Contract Reporter's daily publication schedule.

Where practicable, staff members responsible for a proposed Procurement Contract should make reasonable efforts to identify potential vendors in addition to those identified through the Contract Reporter. This may be done by obtaining referrals from other governmental entities that may have similar requirements, reviewing reference directories, mailing solicitation materials to industry associations and/or known vendors and mailing to lists of appropriate minority and women-owned business maintained by ESD's Non-Discrimination and Contractor & Supplier Diversity Department.

### **9.1. Selection Criteria**

Written selection criteria shall generally be established for each proposed Procurement Contract and shall be included in any written solicitation materials. The relative weighting of the selection criteria should be set out in the RFP wherever practicable and, in the absence of written weighting, each criterion shall be deemed to have the same weight.

The selection criteria shall generally include price as an important factor to be considered in the selection process; however many ESD procurements are based on "Best Value," which allows for factors other than price to be taken into account. Such factors commonly include the quality of goods and services, the experience of the vendor and specific expertise with respect to the goods or services to be supplied. See also Section 7.1 above if price is weighted at less than 20%.

### **9.2. Bid Opening Procedures**

All proposals should be received by the Procurement Department (unless the Procurements Manager directs otherwise), and immediately should be stamped with the date and time of receipt. **DO NOT OPEN ANY BID PACKAGES FOR ANY REASON BEFORE THE FORMAL BID OPENING.** ESD staff members representing Contracts Administration/Subsidiary Finance, Legal, Procurements, OCSD and the initiating Department/Subsidiary should be present at bid openings in person or by teleconference. Bids shall be opened by the Procurement Manager or his/her designee, and the time and date of receipt shall be entered into the Bid Log, which must be signed by all staff members present. Teleconference participants must confirm their presence by email to the Procurements Manager. The Bid Log shall also record the presence of SFL 139j-k and ST-220 forms in the bid.

**A Public Bid Opening is required** for Public Works contract solicitations, pursuant to State Finance Law § 144. This section generally covers bids for construction work on public projects, and may include preparatory work such as demolition, asbestos abatement and the like. ESD or a subsidiary must be a party to the contract, which must involve the use of laborers, mechanics or workers (not, for example, architects and engineers). The definition of a "Public Work" is more a matter of art than law: if in doubt as to whether the contract is for Public Work, contact the Legal Department for guidance.

### **9.3. Bid Evaluation and Vendor Selection**

The initiating Department Head should establish, prior to bid opening, a team of at least three ESD staff members with relevant knowledge and experience of the goods and/or services being procured. One member should come from Contracts Administration or Finance. In some cases, one or more non-ESD team members may join the review team, where those persons have specific knowledge of the procurement subject, or a specific role to play in the administration of the contract with the successful bidder. If non-ESD staff is included in the review team, the team must be expanded in number such that a majority will always be ESD staff members.

Analysis of the proposals and/or bids submitted and the award of the contract shall be documented in reasonable detail. Award to anyone other than the low bidder must include in the documentation the reason the low bidder was not selected.

In reviewing bids, all members of the team must complete and sign scoring sheets that rate each bidder according to the selection criteria and weighting set out in the RFP. Scoring sheets must not include anything other than numerical ratings (i.e., no comments/opinions/notes, etc). Original scoring sheets must be signed and retained by the Procurements Manager as part of the Procurement Record.

### **9.4. Determination of Responsibility – “FLIP Review”**

Pursuant to State Finance Law § 163, ESD or the Subsidiary Board must determine that a vendor or respondent is a responsible contractor, prior to approving the award of a contract. In any event, whether or not a formal Determination of Responsibility is sought from the relevant Board, the initiator should ensure that all vendors are “responsible.”

Vendor responsibility is generally accomplished by “FLIP” review. FLIP review involves assessment of four factors: (i) Financial and organizational capacity; (ii) Legal authority to do business in the state; (iii) Integrity of the owners/officers/principals; and (iv) Past performance on prior government contracts.

The Office of the State Controller has developed a useful resource, the VENDREP form, that should be used wherever possible. This form seeks information about the vendor, its affiliates and subsidiaries, officers and owners, past responsibility determinations by agencies and investigations/prosecutions. It must be notarized, and false statements may be actionable and in some cases may be criminal. The Vendrep forms can be accessed here: [www.osc.state.ny.us/vendrep/webresources.htm](http://www.osc.state.ny.us/vendrep/webresources.htm).

For more information, including links to forms used in a determination of responsibility, see Best Practices on the OGS website. Note that FLIP review is not needed for procurements from the OGS Centralized Contracts list.

If a vendor is considered to be non-responsible, steps must be taken to afford the vendor due process rights, including an opportunity to explain its position in writing and, in some cases, at a meeting. Consult the ESD Legal Department in such cases, after having reviewed the information at the following website:

[www.ogs.state.ny.us/procurecounc/pdfdoc/BestPractice.pdf](http://www.ogs.state.ny.us/procurecounc/pdfdoc/BestPractice.pdf)

### **9.5. Procurement Record**

The ESD department head or his or her designee shall be responsible for creating and maintaining a record of the procurement process. Such record shall contain documentation related to the procurement process, any competitive solicitation exemption, proposals and/or bids received, scoring sheets, vendor responsibility documentation and other documents prepared or used by the bid reviewers in their vendor selection process. Note that final scoring sheets must be sent to the Procurements Manager before a contract is executed.

## **10. Contract Approval**

Procurement Contracts in amounts **\$50,000** or less that will be completed within one year must be approved by the Officer(s) specified in Attachment A to these Guidelines .

Procurement Contracts over \$50,000, as well as contracts for any amount involving personal services to be rendered over a period in excess of one year, must be approved by the ESD (or Subsidiary) Directors. However, **warranty and product maintenance/support/lease contracts (including but not limited to auto leases)** are not considered personal services and do not require approval by the Board unless the amount of such contract is over \$100,000 in aggregate through the life of the contract.

### **10.1. Board Materials**

The initiator writes a memorandum from the respective Department Head to the Officer(s) specified in Attachment A to these Guidelines, explaining the need for the contract. View Model Directors' Materials for Procurement Contracts.

The Board materials must set out:

- a. the need for goods and services;
- b. a brief description of the goods or services needed;
- c. the expected maximum cost of the proposed goods or services;
- d. the selection process used to determine an award based on best value, or where not quantifiable, the justification which demonstrates the best value will be achieved; and
- e. The funding source.

**10.2. ESD Contract and Amendment Approval**

- a. Contracts in amounts under \$50,000 must be approved by the Officer(s) specified in Attachment A to these Guidelines.
- b. Contracts (i) in amounts over \$50,000 or (ii) contracts for any amount involving services to be rendered over a period in excess of one year must be approved by the ESD (or Subsidiary) Directors.
- c. If staff anticipates that a contract may need to be extended beyond one year, ensure that Board approval is requested and that the materials and resolution specifically permit an extension of the contract. Once Board approval is obtained, the contract with the vendor must contain a clause that specifically permits extension. If the contract does not contain such a clause, and the contract needs to be extended, Contract Reporter advertising is required unless an exemption is granted.
- d. Contracts for goods to be provided or services to be rendered over a period in excess of one year, regardless of the amount of the contract, which therefore must have been approved by the Board, must in addition be reviewed annually by the ESD (or Subsidiary) Directors, pursuant to Public Authorities Law § 2879.3(b)(ii). The initiating Department Head must provide an annual report setting forth the status of all continuing goods and/or services contracts, together with justification for the continuance of such contracts for the next year. This annual status report can be made to Contracts Administration and Subsidiary Finance by filling out a contract summary/contract status report. The status reports will also be part of the annual budget and spending review process for all existing ESD and Subsidiary budgets, which must be annually approved by the respective Directors. The annual status reports will thus serve to clarify the need to continue existing multi-year goods and/or service provider contracts.
- e. Contract documents should be fully executed and delivered by both parties prior to the commencement of any work. However, if in the discretion of the initiating Department Head it is essential that work on the contract be commenced before the formal contract documents have been approved, the ESD Chief Executive Officer, Executive Vice President, General Counsel or Chief Financial Officer may issue a letter authorizing a contractor to commence work pending completion and execution of formal contract documents (“**Notice to Proceed**”), provided that:
  - i. The contract is not subject to Office of the State Comptroller (“OSC”) approval (See Section 11.5); and
  - ii. the authorization contained in the Notice to Proceed does not exceed \$50,000; and

- iii. the initiating Department Head seeking the Notice to Proceed obtains in advance, via memorandum (with copies sent to Contract Administration and Procurement) an explanation in reasonable detail the need for the immediate commencement of contract performance, and the written authorization of two of the following: ESD Chief Executive Officer, Executive Vice President, General Counsel or Chief Financial Officer.

f. **Amendments to existing contracts** follow the same process as new contracts, i.e., the amendment needs to be advertised in the New York State Contract Reporter or exempted. The same documents, such as justification memo/contract status report, commitment request form and/or standard amendment form must be generated. If the proposed amendment will involve a new Contract Reporter advertisement or other solicitation, the requirements of SFL §139-j and 139-k and State Tax Law § 5-a will apply, and in any case, new certifications may be required. Note that an amendment to an existing contract that causes the aggregate amount of the contract to exceed \$1 million may be subject to OSC approval, regardless of the amount of the amendment and source of funds.

g. Contract amendments that increase the contract amount to \$50,000 or more must be approved by the ESD or Subsidiary Directors. Amendments for less than 10% of the original contract amount (or the contract amount as subsequently approved by the Board) may be executed by the ESD or subsidiary Chief Executive Officer or Chief Financial Officer without further Board approval, unless the amendment increases the contract to an amount above \$50,000 and Directors' approval has not been previously obtained. An Amendment Package must be sent to Contracts Administration for approval and processing (see Commitment Request Package on the next page for guidance). If a proposed amendment will increase the term of the contract to more than one year, Contract Reporter advertising is necessary unless, as discussed in paragraph (c) above, the original contract contained a clause specifically permitting extension.

In the case of contracts for more than \$1 million, where the initiator anticipates that unforeseen contingencies and changes of scope may arise and require changes in the contract amount, Board approval should be sought from the outset for amendment of the contract up to 10% of the amount approved, to be executed without further Board approval by the Chief Executive Officer and the Chief Financial Officer of the corporation. Note that such an amendment may require OSC review and approval (see section 11.5 below). If in doubt, consult the Legal Department.

## **11. Steps After Contract Approval Is Obtained**

### **11.1. Commitment Request Package**

- a. The contract initiator completes the required information on the Commitment Request Form.
- b. The contract initiator completes the Standard Form Contract -Short Form for Goods/Services, if applicable, with the relevant attachment (“Schedule A”) which may be Standard Form for Materials/Services, Architect Agreement, Attorney Agreement, or Standard Form Amendment or Modification of Contract.

Remember that the provisions and the requirements of the proposed contract must be specific and stated in clear and unambiguous terms so they are fully understood by the contracting parties. It is important that the contract clearly specify what is expected of both the contractor and ESD, and the method of payment to the contractor. The more clear and specific the contract, the easier it will be to monitor.

The terms of the contract should include, but not be limited to:

- the scope and purpose of the contract;
  - the description of the services to be performed;
  - the location where the work is to be performed;
  - the standards to be used to measure performance (e.g. units of services, number and nature of clients served, target dates, etc.);
  - the level of expertise that is required to perform the tasks, the cost and the method payment of the contract;
  - the starting date and the contract period;
  - the finished product or the services to be delivered;
  - record-keeping and reporting requirements, including a statement that ESD and any relevant State agency has the right to audit the contractor’s records;
- c. Written explanation of the responsibility determination/FLIP Review and/or formal Determination of Responsibility, where required.
  - d. ESD/Subsidiary Board of Directors Approval, if applicable. View sample Board materials.
  - e. New York State Contract Reporter Form, approved exemption letter, or NYS OGS Centralized Contract.
  - f. All appropriate insurance certificates, as approved by the ESD Insurance Administrator, a copy of the appropriate officer’s approval and a copy of

the RFP, if applicable. Note that all contractors must have evidence of Workers' Compensation and Disability Insurance coverage.

- g. Three (3) original sets of the contract package or amendment with: (i) Schedule A (conditions applicable to consultant or legal agreements); (ii) Schedule B (scope of work and compensation terms); (iii) Schedule C (Non-Discrimination and Affirmative Action Provisions and Schedule of Minority/Women Business Participation and Compliance with Executive Law Article 15-A); (iv) Schedule D (ST-220 Contractor Certification Form pursuant to Tax Law § 5-a); (v) Schedules E-1 (Compliance with SFL § 139-j and 139-k, the Offerer's Affirmation of Understanding and Agreement pursuant to SFL §' 139-j (3) and 60 (b), the Offerer Disclosure of Prior Non-Responsibility Determinations under SFL § 139-k(2); and (vi) the Encouragement of NY sub-contractors and suppliers form.
- h. The initiator signs and obtains the Department head approval on the Commitment Request form and forwards the commitment package (all documents listed above) to Procurement for compliance review and approval. When approved, Procurement will route the commitment package to Contract Administration. The commitment package must be accompanied by a completed Commitment Package Checklist.
- i. Contract Administration routes and tracks the commitment package and obtains necessary approvals from various ESD Departments.
- j. Upon obtaining in-house approvals, Contract Administration sends all three (3) sets of the contract or amendment package to the vendor for signature(s).
- k. After receiving three (3) signed sets from the vendor, Contract Administration sends all three sets to the Officer(s) specified in Attachment A to these Guidelines for signature.
- l. One original copy of the fully-executed contract is sent by Contract Administration to the vendor.

## **11.2. Contract Reporter Award Notification**

If a contract is awarded after a Contract Reporter Solicitation, the award, along with the Schedule of Minority/Women Business Participation, must be posted on the Contract Reporter system. A contract is considered awarded when it is executed (signed) by all parties. This posting will be done by Contracts Administration.

### **11.3. Extension/Amendment of Contracts**

If a Procurement Contract is entered into after a Contract Reporter solicitation, the contract and solicitation can provide that there may be an extension of the contract or amendment to the scope of work. If so, then extensions and/or amendments do not need to be advertised in the Contract Reporter again. However, if the contract requires approval by the ESD Board, the possibility of extension or amendment must be included in the original Board materials and Resolution. When in doubt, provide for extension or amendment to minimize future problems.

### **11.4. Department of Budget (“DoB”) Approval**

Under DOB Bulletin B-1184, approval for certain procurements over \$500 is required. In general, if a state or legislative appropriation is the source of funds, approval is needed. A web-based application known as the “Agency Spending Controls Application” process is used to obtain prior approval. DOB approval is not required when the funding source for the procurement comes from a non-State source (e.g., a developer of an ESD project), where at least 75% of the procurement cost will be reimbursed by federal funds, or when the procurement is needed to address an immediate threat to public health and/or safety. DOB mandated forms are used in cases where approval is required. ESD has implemented the cost control measures described in Bulletin B-1184. All spending not involving Federal reimbursement of at least 75 percent, presenting an immediate threat to public health and/or safety or whose funding source is from a Third Party is subject to the preapproval process specified in the Budget Bulletin utilizing forms established by DOB known as Attachment A. An Attachment B form was also created for spending involving Federal reimbursement of at least 75% or presenting a public health and/or safety issue.

For instructions and forms, see the ESD Employee Intranet: [Financial Resources](#). If in doubt, contact the ESD Controller’s Department for guidance.

### **11.5. OSC Post-Contract Approval of \$1,000,000+ Contracts**

Under Public Authorities Law § 2879-a (effective March 1, 2010), proposed contracts in excess of one million dollars that either: (i) are to be paid for in whole or in part by state appropriations; or (ii) are not to be awarded after a competitive process (regardless of the funding source), must be approved by the Office of the State Comptroller (“OSC”) after the contract is signed. If § 2879-a applies and approval by OSC has not been obtained, the signed contract “shall not be a valid enforceable contract.” OSC has issued final regulations implementing this law, and OSC approval shall be deemed part of these Guidelines. A memorandum explaining the application and procedures involved in OSC approval has been circulated to all relevant staff and may be viewed here.



Comptroller review  
of Contracts Memo\_F

Note that loan and grant contracts may be covered by the OSC review process.

OSC has confirmed that contracts for the sale of real property for an amount over \$1 million are covered by the Property Disposition Guidelines and are not subject to OSC review and approval under PAL § 2879-a.

## **12. Monitoring of Procurement Contracts**

Performance of Procurement Contracts must be monitored by the initiating Department to ensure that the scope of work or services to be provided are being/have been performed, that use of ESD personnel, supplies and facilities is documented, and that the established starting and completion dates for major components of the contract are being/have been met.

ESD employees assigned the responsibility of monitoring the work should be familiar with the type of work being performed and with the specific terms of the contract.

The frequency and manner in which the vendor's performance will be monitored should be clearly stated to the vendor and directly related to the terms of the contract.

Written documentation pertaining to vendor performance, such as progress reports, site visit reports, payment and expenditure data, memoranda of verbal discussions, and written correspondence, should be maintained and reviewed by the initiating Department.

Periodic visits to the work sites should be made where appropriate to review work in progress and work completed. Site visit reports should be completed and include the observations of pertinent matters, such as the number and type of persons employed by the vendor, adequacy of the facilities and equipment, and quality of performance, including any deficiencies in the performance of the work, which may have an impact on satisfactory completion of the project.

The evaluation of the vendor's performance should take into consideration the quantity and quality of the work performed, the timeliness of submission of contract deliverables, the adequacy of cost and performance records and other supporting documentation, and whether the extent of performance, to date, is commensurate with the amount the contractor has been paid.

Performance that is below expectations or established standards should be reported to ESD management immediately. All deficiency reports should be specific and in writing. Management should review deficiency reports and take appropriate action, which may include termination of a contract.

**All invoices presented for payment should be reviewed by the person who is monitoring the contract and approved by the respective Department Head. No payment should be made unless the work is satisfactory and in accordance with the terms of the contract. Approval on the Payment Authorization form attests to this.**

### **13. Procurement Contracts Involving Former Officers of ESD**

ESD shall not enter into Procurement Contracts with its former officers or employees, or with firms employing such officers or employees, except as permitted by applicable provisions of law and by ESD's "Guidelines Regarding Conflicts of Interest and Ethical Standards."

### **14. Implementation of These Guidelines**

ESD's Legal Department, in conjunction with the VP/Administrative Services, shall be responsible for:

- a. Preparing for approval by the CEO such supplemental procedures as may be required to effectively implement these Guidelines.
- b. Preparing proposed amendments to the Guidelines for approval by the CEO and the ESD Directors when and as required.

### **15. Reporting**

#### **15.1. Quarterly Reports**

ESD's VP/Contract Administration shall prepare for presentation by the Office of Contractor and Supplier Diversity to the ESD Directors, quarterly reports of new Procurement Contracts and required Schedules of MWBE Participation. For each Procurement Contract, the report shall include the contract amount, reason for award, initial scope of services and the selection process used. Such reports shall include information related to amendments approved on contracts during the reporting period.

#### **15.2. Annual Reports**

Annually, ESD's VP/Contract Administration shall prepare for the Directors' review a report on Procurement Contracts as of the end of each fiscal year, summarizing procurement activity by ESD for the period of the report, including a listing of all contracts entered into, the selection process used to select vendors, the status of existing Procurement Contracts and required Schedules of MWBE Participation. ESD's VP/Contract Administration shall also prepare, on an annual basis, a report for submission to:

- a. The Division of Budget;
- b. The Department of Audit and Control;
- c. The Senate Finance Committee;
- d. The Assembly Ways and Means Committee;
- e. Members of the public (upon receipt of reasonable requests therefor); and
- f. The Commissioner of Economic Development.

The reports shall include these Guidelines, any amendments thereto, and an explanation of the amendments.

## **16. Effect on Awarded Contracts**

Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of, or impair any contract or agreement made or entered into in violation of, or without compliance with, these Guidelines. These Guidelines reflect best and customary practice, but are not intended to be rules of law. Note, however, that certain contracts may not be “valid or enforceable” without OSC approval. (See Section 11.5)

**Item #3**



FOR CONSIDERATION

April 27, 2015

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: Inner Harbor Development - Phase 3A

REQUEST FOR: Authorization to Amend a Contract with C&S Engineers, Inc. for Engineering and Architectural Design Services for the Historically Aligned Canals and Associated Landscaping and Facilities; and Authorization to Take Related Actions

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Contract Amendment Need and Justification

I. Contract Summary

Consultant: C&S Engineers, Inc.  
90 Broadway  
Buffalo, NY 14203

New Proposed Contract Term: April 2011 – December 2015

Contract Amount: Original Contract amount: \$1,777,000  
Amendment No. 1: \$500,000 (previously approved)  
Current Amendment No. 2: \$550,000 (action item)  
Total Contract Amount Not to Exceed: \$2,827,000

Funding Source(s): New York Power Authority Industrial Incentive Agreement

II. Background

On April 11, 2011, the Directors authorized Erie Canal Harbor Development Corporation ("ECHDC") to enter into a contract with C&S Engineers, Inc. ("C&S" or the "Consultant") for the provision of expert engineering services related to the construction of the Historically Aligned Canals on the site of the former Buffalo Memorial Auditorium site in Buffalo, New York. The canals are the public centerpiece of the Canalside Project - a mixed use, urban entertainment destination in the City of Buffalo, Erie County, New York. The theme, design principles and conceptual design phase of

Canalside development have been completed by Ehrenkrantz Eckstut & Kuhn Architects (“EE&K”) of New York, New York. EE&K has assisted with the Project’s environmental review and design guidelines, and will remain the “Master Architect” leading the Project design. ECHDC has also retained The LiRo Group to assist with Construction monitoring of the project.

When fully built out, the entire Canalside area will consist of approximately 1,100,000 square feet of commercial (retail, restaurant, lodging, and office), cultural, and residential space over 23 development parcels. The area will be designed to emphasize downtown Buffalo’s connection to the Lake Erie waterfront through the construction of canals that reflect the historical alignment of the Erie Canal. Upon completion Canalside will provide urban amenities and various year-round offerings and experiences, including restaurants, entertainment venues, retail outlets, cultural attractions, public spaces, and increased access to the Buffalo River.

### III. Selection Process

ECHDC does not have the staff and expertise to design and engineer the canal construction project and therefore advertised in the NYS Contract Reporter for outside consulting services to design and engineer the canal construction project. On February 1, 2011, ECHDC issued a Request for Qualifications (RFQ’s) for the Canalside-Public Canal Environments Design Services. Fifteen (15) submissions from consultant teams were received on February 22, 2011. A selection committee consisting of ECHDC and Empire State Development (“ESD”) representatives (the “Selection Committee”) short-listed and issued a Request for Proposals (“RFP”) to five (5) firms. The RFP was issued on March 11, 2011 with a Concept Plan that was completed by EEK.

As part of the RFP process, the Selection Committee interviewed three (3) teams on March 29 - March 30, 2011 and ranked each of the respondents pursuant to a pre-established selection rubric. After a thorough review of the consultant teams’ respective qualifications, the top-ranked team, led by C&S was recommended by the Selection Committee. The C&S team was selected based on their demonstration of specific technical experience and competence in providing high quality exterior public environments.

The consultant team consists of:

- C&S Engineers, Inc. (project management, site/civil)
- Watts Architectural and Engineering, P.C. (MEP, Structural)
- Preservation Studios (architectural)
- Architectural Resources (historical)
- Cloward H2O (water feature)
- Quennell Rothchild and Partners (landscape, LEED)
- Tillotson Design Associates, Inc. (lighting design)
- Doyle Partners (environmental graphics)
- SJB Services (geotechnical, environmental)
- Foit Albert (survey)
- Baer and Associates (cost estimating)

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has; a) considered the proposed consultants' respective abilities to perform the services provided for in the proposed contract; and b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers the proposed team to be responsible. Furthermore, as the work is a continuation of the tasks that were part of the original agreement, a contract reporter exemption has been received for the proposed amendment.

#### IV. Scope of Work

Original Contract Components per the Request for Proposals are included below along with the current status of each item:

Task 1	<i>Project Management and Coordination: Completed</i>
Task 2	<i>Geotechnical Engineering Services: Completed</i>
Task 3	<i>Conceptual Design: Completed</i>
Task 4	<i>Schematic Design Phase Services: Completed</i>
Task 5	<i>Design Development Phase Services: Completed</i>
Task 6	<i>Construction Document Phase Services (75%): Completed</i>
Task 7	<i>Construction Document Phase Services (100%): Completed</i>
Task 8	<i>Signature Submittal: Completed</i>
Task 9	<i>Bidding Phase: Completed</i>
Task 10	<i>Design Services during Construction: Ongoing</i>

The original contract completion date was expected to be in May of 2013. However, as the original Contractor was unable to meet the required schedule, ECHDC received Board approval to amend the C&S contract in January, 2013 to allow C&S to continue to provide engineering services through the expected completion of the project. Since that approval was received, the original contractor was terminated from the project and Travelers Casualty and Surety Company of America ("Travelers") has taken over the project and retained Pike Construction Company ("Pike") to complete the work. The problems associated with the original contractor and delays associated with the transition to new contractor have extended the final completion date into the fourth quarter of 2015.

This second amendment is required because project changes have required C&S to: participate in extensive coordination meetings; provide guidance to Pike as it transitions into the role of prime contractor; and provide contract services for a longer construction period than was originally contemplated. C&S has endeavored to track its additional efforts associated with Traveler's involvement and the general contractor transition, and continues to bill ECHDC at the hourly rates submitted with its original RFP response.

In addition, as ECHDC is currently involved in litigation with the original contractor, C&S has also provided extensive assistance in support of ECHDC’s legal staff. As the litigation continues, C&S advisory services will continue to be needed.

In order for ECHDC to adequately achieve its development goals, C&S will have to remain under contract for the balance of the time allotted for construction. Currently it is anticipated that construction will not be completed until the fourth quarter of 2015. However, C&S has already exhausted the scheduled man hours for all tasks set forth in both the original agreement as well as the first amendment.

V. Contract Term, Price and Funding

Compensation will cover professional fees and direct expenses through December of 2015. Total compensation for the contract shall not exceed \$2,827,000 (including contingency and additional \$550,000 per this amendment).

The funding source for the proposed contract is proceeds payable to ECHDC pursuant to the New York Power Authority Industrial Incentive Agreement.

VI. Non-Discrimination/Affirmative Action

Erie Canal Harbor Development Corporation’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Consultant shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (MWBE) Participation Goal of 30%. The overall goal shall include Minority Business Enterprise (MBE) Participation of 15% and Women Business Enterprises (WBE) Participation Goal of 15% related to the total value of Erie Canal Harbor Development Corporations’ funding.

VII. Environmental Review

ESD, as lead agency, completed an environmental review of the entire Canalside Project, pursuant to the requirements of the State Environmental Quality Review Act (SEQRA) and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with the involved agencies due to the Project’s Type I classification, involved the preparation of a draft and final generic environmental impact statement (GEIS). The ESD Board of Directors issued SEQRA findings for the Project on March 26, 2010. The GEIS assessed all aspect of the project, including the construction of canal features on the site of the former Buffalo Memorial Auditorium. Therefore, no further environmental review is required in connection with this action.

VIII. Requested Action

Based on the foregoing, the Directors are requested to (1) make a determination of responsibility with respect to the proposed consultant; (2) authorize the Corporation to amend the contract with C&S for services related to the Corporation's Canalside-Public Canal Environments Design Services and such other matters authorized by the President of the Corporation for a total contract amount not to exceed \$2,827,000.

IX. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

X. Attachments

Resolution

April 27, 2015

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Inner Harbor Development - Phase 3A –  
Authorization to Amend a Contract with C&S Engineers, Inc. for Architectural and Engineering  
Design Services for the Historically Aligned Canals and Associated Landscaping and Facilities;  
Authorization to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds C&S Engineers, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend the contract with C&S Engineers, Inc. for an amount not to exceed Five Hundred Fifty Thousand dollars (\$550,000) for a total contract amount not to exceed Two Million Eight Hundred Twenty Seven Thousand dollars (\$2,827,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

\* \* \*

# Item #4



FOR CONSIDERATION

April 27, 2015

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: Buffalo Outer Harbor – Operations and Maintenance Memorandum

REQUEST FOR: Authorization to Enter into a Memorandum of Understanding Regarding Operations and Maintenance of Property at Buffalo’s Outer Harbor; and to Take Related Actions

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I. Project Summary

Recipient: New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”)

Project Location: Buffalo Outer Harbor  
Fuhrmann Blvd.  
Buffalo, NY 14202

Proposed Project: Operation and maintenance of land associated with Erie Canal Harbor Development Corporation owned property on Buffalo’s Outer Harbor.

Project Completion: May 1 – November 1, 2015

Funding Amount: Not to exceed \$105,277 (\$95,706-Base + \$9,571-Contingency)

Funding Source(s): New York Power Authority (“NYPA”) Re-Licensing Agreement

II. Project Cost

<u>Funding Uses</u>	<u>Estimated Cost</u>
Operations and Maintenance Staff (1-PRA 6 @ \$13.82/hr)	\$19,900
Operations and Maintenance Staff (3-PRA 4 @ \$11.00/hr)	\$47,520

Maintenance Supplies	\$3,000
Equipment Purchases	\$25,306
Contingency (10%)	\$9,577
<b>TOTAL Funding</b>	<b>\$105,277</b>

III. Background

In May of 2014, the Erie Canal Harbor Development Corporation (“ECHDC”) acquired approximately 340 acres of property located on Buffalo’s Outer Harbor from the Niagara Frontier Transportation Authority. As part of the overall transaction, ECHDC entered into an Operations and Maintenance agreement with OPRHP whereby OPRHP was charged with operating and maintaining a portion of the property consisting of Gallagher Beach and the former Small Boat Harbor marina. Thereafter, the property controlled by OPRHP was officially designated by Governor Cuomo as the Buffalo Harbor State Park, the 180th State Park in New York’s system and the first in the City of Buffalo (“City”). The park is an integral part of the revitalization of the City’s waterfront.

As OPRHP has maintenance responsibilities for the Buffalo Harbor State Park, ECHDC and OPRHP have developed a maintenance plan to allow OPRHP and ECHDC to share services in order to realize cost savings. These services which will be provided by OPRHP on ECHDC owned property include lawn mowing, trash collection and litter pick-up. ECHDC will continue to maintain its current contract with Rosato Management for operations, maintenance and security at Wilkeson Pointe (formerly known as Parcel OH) for those services not being provided by OPRHP.

IV. Terms and Conditions

ECHDC and OPRHP will enter into a Memorandum of Understanding (“MOU”) whereby ECHDC will reimburse OPRHP in an amount not to exceed \$105,277 over a ten-month term to provide the following services:

1. OPRHP will provide services for mowing designated lawn areas (10 ft. maximum on each side of the Greenbelt Pathway and ½ of play field at Wilkeson Pointe), trash collection, and litter pick-up in mowed areas and parking lots.
2. OPRHP will purchase and/or lease all necessary equipment to fulfill its duties within this MOU.
3. OPRHP will maintain responsibility for costs associated with routine maintenance of purchased and leased equipment associated with its duties during this period of use. Any equipment purchased will be the property of ECHDC.

4. OPRHP will submit detailed, weekly work logs to ECHDC for each staff member outlining the duties performed and the timeframe in which each task was completed.

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (MWBES) in the performance of ESD projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBEs for performance of this Contract.

VI. Environmental Review

Empire State Development staff has, on behalf of ECHDC, determined that the requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

VII. Requested Action

The Directors are requested to (1) authorize the Corporation to enter into a Memorandum of Understanding with the NYS Office of Parks, Recreation and Historic Preservation in an amount not to exceed \$105,277 on the terms contained in these materials; and (2) take all related actions.

VIII. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

IX. Attachments

Resolutions

April 27, 2015

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Authorization to Enter into a Memorandum of Understanding for Operations and Maintenance of Property at Buffalo’s Outer Harbor; and to Take Related Actions

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RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Erie Canal Harbor Development Corporation (the “Corporation”), the Corporation is hereby authorized to enter into a memorandum of understanding with the New York State Office of Parks, Recreation and Historic Preservation in an amount not to exceed ONE HUNDRED FIVE THOUSAND TWO HUNDRED SEVENTY SEVEN DOLLARS (\$105,277) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

\* \* \*

**Item #5**



FOR CONSIDERATION

April 27, 2015

TO: The Directors
FROM: Thomas P. Dee
SUBJECT: Buffalo Outer Harbor – Capital Expenditure Memorandum of Understanding
REQUEST FOR: Authorization to Enter into a Memorandum of Understanding Regarding the Design and Construction of Capital Improvements at Buffalo’s Outer Harbor; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

I. Project Summary

Recipient: New York State Department of Transportation (“DOT”)
Project Location: Buffalo Outer Harbor, Fuhrmann Blvd., Buffalo, NY 14202
Proposed Project: Extension of Greenbelt Public Pathway to Fuhrmann Boulevard
Project Completion: May 1 – July 1, 2015
Funding Amount: Not to exceed \$145,000 (\$132,000-Base + \$13,000 Contingency)
Funding Source(s): New York Power Authority (“NYPA”) Re-Licensing Agreement

II. Project Cost

Table with 2 columns: Funding Uses, Estimated Cost. Rows include Design - completed by DOT in-house (No Charge), Construction – Paved Pathway (\$112,000), Construction – Hand Rail (Timberpost Option) (\$20,000), Contingency (10%) (\$13,000), and TOTAL Funding (\$145,000).

### III. Background

In May of 2014, the Erie Canal Harbor Development Corporation ("ECHDC") acquired approximately 340 acres of property located on Buffalo's Outer Harbor from the Niagara Frontier Transportation Authority ("NFTA"). As part of the transfer of the property from NFTA, ECHDC agreed to maintain for public access, an extension of the current Greenbelt from its current termination point at the former Pier Restaurant to Fuhmann Boulevard. The extension of the pathway to Fuhmann Blvd allows for continual public access to other oft-used points to the north such as Wilkeson Pointe, Times Beach Nature Preserve and the Buffalo Lighthouse. The northernmost portion of this integral pathway is in dire need of reconstruction and repairs in order to formally connect it to the existing points of public access.

DOT will construct a 12-foot wide multi-use path with 10 feet of grass egress on each side and repave the overlook area connecting the existing Greenbelt from its termination at the former Pier Restaurant to Fuhmann Boulevard. The design work will be completed by DOT in-house at no charge to ECHDC with the actual construction work being completed by a third-party firm procured by DOT. The pathway will continue the design and feel of the current Greenbelt Pathway that has been utilized by thousands each spring/summer for picturesque waterfront views along Buffalo's Outer Harbor. Additionally, DOT will modify and reconstruct an existing guardrail to further define the "overlook" space and add another public vantage point into Lake Erie. The resulting paved pathway and guard rail will be another major improvement for public, recreational access to Buffalo's waterfront.

### IV. Terms and Conditions

ECHDC and DOT will enter into a memorandum of understanding whereby ECHDC will reimburse DOT in an amount not to exceed \$145,000 to provide the following services:

1. DOT will provide design services for construction of the extension of the pathway and security rail at recommended points.
2. DOT will construct a 12-foot wide paved pathway, as well as 10-feet of grass lawn on each side for the purpose of public use.
3. DOT will construct a guard rail at pre-determined points for the purpose of public safety.
4. DOT will submit design drawings for review by ECHDC to determine appropriate construction of a useful and aesthetically pleasing pathway and safety rail.
5. In the event that DOT subcontracts with a third party vendor, it will be DOT's responsibility to obtain the appropriate insurance requirements.

V. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

VI. Environmental Review

The Erie Canal Harbor Development Corporation, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. This review found that the proposed project would not result in significant adverse impacts on the environment. Therefore, ECHDC staff recommends that the Directors make a Determination of No Significant Effect on the Environment.

VII. Requested Action

The Directors are requested to (1) authorize the Corporation to execute a memorandum of understanding with the NYS Department of Transportation securing the aforementioned services in exchange for an amount not to exceed \$145,000, on the terms contained in these materials; (2) make a determination of no significant effect on the environment; and (3) take all related actions.

VIII. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

IX. Attachments

Resolutions

April 27, 2015

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Buffalo Outer Harbor – Capital Expenditure Memorandum of Understanding - Authorization to Enter into Memorandum of Understanding for Capital Expenditure of Property at Buffalo’s Outer Harbor; Determination of No Significant Effect on the Environment; and to Authorization to Take Related Actions

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RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Erie Canal Harbor Development Corporation (the “Corporation”), the Corporation is hereby authorized to enter into a memorandum of understanding with the New York State Department of Transportation in an amount not to exceed ONE HUNDRED FORTY FIVE THOUSAND DOLLARS (\$145,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that on the basis of the materials submitted to the Directors, the Corporation hereby determines that the proposed action will not have a significant adverse effect on the environment; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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