



**NY Power  
Authority**

**Canal  
Corporation**

**PROPOSED AGENDA  
JOINT GOVERNANCE COMMITTEE MEETING  
October 14, 2025 – 8:30 a.m.**

**Members:** Chair Bethaida Gonzalez, John R. Koelmel, Dennis Trainor, Cecily Morris,  
Lewis Warren, Jr.

**1. Adoption of October 14, 2025 Proposed Meeting Agenda**

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

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

**4. DISCUSSION AGENDA:**

- a. Diversity, Equity, Inclusion and Accessibility Update - (Nancy Harvey, Will Choi, Kaela Mainsah, Peter Bailey and Pooja Nayyar)
- b. Artificial Intelligence Strategy Update (Ronald Carroll)

**5. CONSENT AGENDA:**

- a. New York Power Authority and Canal Corporation Ethics and Compliance Program Report (Joseph Gryzlo)
- b. Procurement and Related Reports for New York Power Authority and Canal Corporation (January – June 2025) -- Resolution (John Canale)
- c. Approval of Guidelines for Procurement Contracts -- Resolution (John Canale)
- d. Approval of Guidelines for Disposal of Personal Property and Expenditure Authorization Procedures for New York Power Authority and Canal Corporation -- Resolution (John Canale)
- e. Annual Review and Approval of Guidelines and Procedures for the Disposal and Acquisition of Real Property and Expenditure Authorization Procedures of the New York Power Authority and Canal Corporation -- Resolution (Allison Shea)
- f. Review and Approval of Amended Investment Policy Statement for the Other Post-Employment Benefits Trust -- Resolution (Adam Barsky)
- g. Approval of the Minutes of the Joint Meeting of the New York Power Authority and Canal Corporation Governance Committee held on March 18, 2025

**6. Next Meeting**

**October 14, 2025**

**Motion to Conduct an Executive Session**

I move that the Committee conduct an executive session to discuss matters leading to the possible appointment, employment, or promotion of a particular person or corporation (pursuant to section 105 of the Public Officers Law).



October 14, 2025

**Motion to Resume Meeting in Open Session**

Chair, I move to resume the meeting in Open Session.



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# Governance Committee Meeting



October 14, 2025





# Diversity, Equity, Inclusion and Accessibility Update

**Nancy Harvey**, Chief Diversity, Equity & Inclusion Officer

**Jung (William) Choi**, Director Supplier Diversity

**Kaela Mainsah**, VP Environmental Justice

**Peter Bailey**, Program Manager Environmental Justice

**Pooja Nayyar**, Sr Dir Organizational & Talent Development

October 14, 2025

# Today's agenda

- How We're Navigating
- The 3 E's of Impact
- Economy
- Environment
- Employer



# How we're navigating

- Collaborating internally and externally with industry leaders and listening to employee feedback
- Sharing how NYPA and Canals are helping the state meet its growing demand for clean, renewable energy and accessible recreation.
- Leveraging cross functional IDEALS committee to examine our work through a DEIA lens across the 3E's of Impact: Economy, Employment and Environment.



# VISION2030 Renewed evolved to include Accessibility

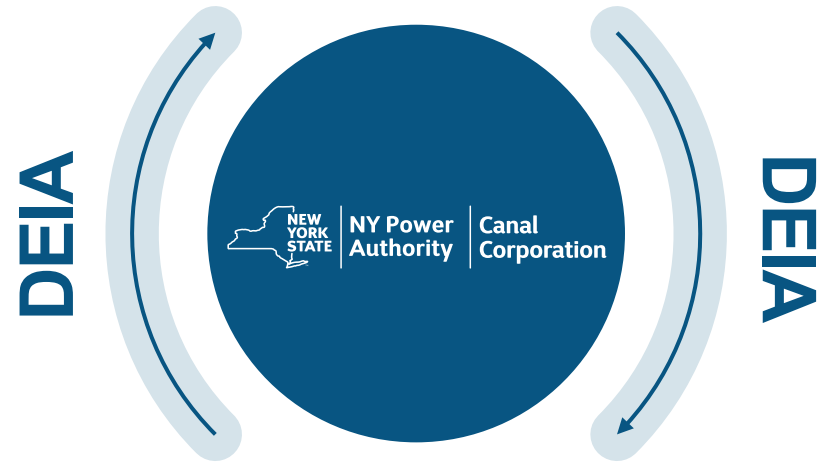


In alignment with New York State's focus on Accessibility, we adopted DEIA and were told to "think big."

DEI+A

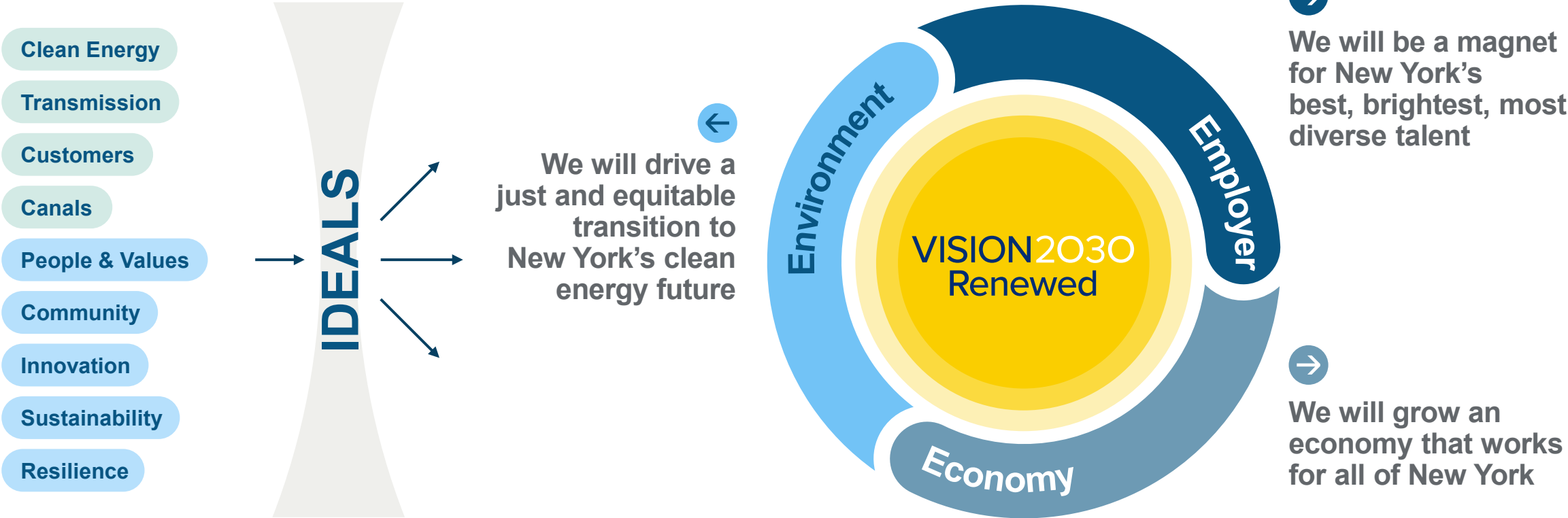


Today, DEIA is no longer a stand-alone pillar, but rather a cross-functional approach integrated into the foundation of the business strategy



# IDEALS is achieving VISION2030 Renewed goals by addressing critical business challenges with a DEIA lens

Our work is aligned with the strategic priorities and enabled by the foundational pillars, especially People & Values, and Community.





# Economy

- We will grow an economy that works for all of New York



## MPP Partners Awarded \$120M Contract

**Mentor:** Elecnor Hawkeye

**Protégé:** Quadrant Engineering

**Project:** Uniondale Hub Substation Upgrade

Elecnor Hawkeye partnered with Quadrant to compete for NYPA's Uniondale Hub Substation upgrade and together were awarded the \$120M project.

- Benefits the shared economy and communities: creates local jobs and utilizes NY resources, fostering a competitive local workforce.
- Joint approach enriched the project team, strengthened the technical capabilities of both firms, and improved work quality.

### → Example

Quadrant received hands-on, practical experience managing a large-scale and complex schedule: sequencing of construction, interdependencies, communication



“

**This project demonstrates our capability to support complex, high profile projects and reinforces our commitment to delivering exceptional service.”**

**Rafiqul I. Chowdhury**

President, Principal Engineer, Quadrant Engineering



## Mentor Protégé Program

### Helping local, minority-owned small businesses benefit from the expertise of larger firms

The MPP partners larger business contractors with service-disabled veteran-owned, minority-owned, and women-owned small businesses to gain experience to be able to compete for larger contracts; it helps build a larger pool of diverse contractors

→ **Professional development**

Improve management and technical skills; access to expertise, industry insights

→ **Business growth**

Increase competitiveness and profitability (success rates, project completions; staff growth)

→ **Networking**

Build lasting relationships that can lead to future collaborations

→ **Economic development**

Job creation and local hiring, utilize local resources

→ **Supplier Diversity**

Build a larger pool of diverse contractors

The program has had good participation and success since its start:

15

### Firms

Participate in the program (mentors + protégé firms)

11

### Graduates

Have completed the program

41

### Contracts

Awarded to protégé firms



# Enhancing inclusivity & economic development in Buffalo's First Ward

ADA-compliant dock and accessible kayak launch at Riverfront Mutual Park in Buffalo

- NYPA's VISION2030, is working to ensure all New Yorkers, including those with disabilities, can enjoy water-based recreational activities
- Elevator Alley Kayak anticipates business revenue growth (similar Erie Canal Boat Company: increase 31%) after offering inclusive recreation options
- Making Riverfront Mutual Park accessible fosters stronger community engagement
- Attracts a diverse group of visitors, including individuals with disabilities, their families, and friends, boosting the local economy
- Enhances Buffalo's reputation as a welcoming and inclusive destination, supporting local tourism





## On the Canals Accessibility Education Program

Helping local recreational providers with the assistance of an accessibility expert

The AEP aims to ensure long-term inclusion for people with disabilities by working with businesses to assess and improve accessibility in recreational services through a structured approach of learning, planning, and implementing inclusive practices.

→ **Professional development**

Establish a Core Inclusion Team to undergo training and lead the organization's inclusion efforts.

→ **Business growth**

Execute a Recommendations Report and Strategic Inclusion Action Plan to guide operational and programmatic inclusion changes.

→ **Networking**

Facilitate connections between families with members who have disabilities and the newly inclusive programs/sites.

→ **Economic development**

15% to 20% of the global population – experience disability. This group, along with their friends and family, has a spending power of \$13 trillion.

→ **Supplier Diversity**

Support Small Businesses across NYS

The program has had good participation and success since its start:

12

**AEP Participants**

(including an entire village)

87

**Contact Hours**

Average hours per participant

136

**Expanded Access**

To new customers with different abilities.

# We are engaging small businesses scale across New York

**900+**

**Registrants**

from 59 exhibitors at the  
New York Power Authority  
& Canal Corporation  
Supplier Diversity Expo

**287**

**Program  
Participants**

Small and Local Capacity Building  
PowerUp 2030  
Mentor Protégé  
Surety Bond Training  
Accessibility Education

**\$112M**

**Awarded  
Contracts**

Projects Awarded to our  
Program Participants



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# Environment

- We will drive a just and equitable transition to New York's clean energy future





# Environmental Justice DEI Plan Achievements: 2021-2025

## Future Energy Leaders Scholarships

Investing in educational pathways

→ **\$700K**

Scholarships

→ **70**

Awardees

→ **38**

Colleges

## EJ Internships (P-TECH)

NYPA's investment in a diverse energy workforce

→ **248**

Paid internships

→ **200**

NYPA Mentors

→ **156**

Industry certifications (FAA 107, CALT, & EPA 608)

## EJ Community Volunteer Corps

Showing up for communities

→ **2,248**

Hours of volunteer service

→ **702**

Volunteers engaged

→ **46**

Events

# Environmental Justice DEI Plan Impacts: 2021-2025

## Future Energy Leaders Scholarships

Investing in educational pathways

**95%** College Retention Rate (National is 76%)

### Career success:

Measuring and tracking student outcomes, including their current employment at organizations such as:



## EJ Internships (P-TECH)

NYPA's investment in a diverse energy workforce

EJ interns have gone on to successful careers in the energy industry:



## EJ Community Volunteer Corps

Showing up for communities

- Strengthened relationships with local communities and organizations.
- Strategic engagements to deepen connections in communities & meaningful employee engagement and awareness of EJ.
- Focus on service opportunities for departments and streamlining volunteer corps model.

# Students from underserved communities excel in paid internships

In August 2025, 51 college students from underserved communities celebrated the completion of six-week paid summer internships by giving presentations on their experiences to an audience of mentors, trainers and supporters.





# Support the diverse needs of communities in which we operate and impact

Ensure impacted communities are included and benefit from NYPA's work in the clean energy transition.

VISION2030  
Renewed

**Increase benefits to disadvantaged communities** →



Complete clean energy projects in DACs



Provide energy education for youth and adults across the state

**Provide pathways to energy careers for underserved communities** →



Invest in pathways to energy careers for historically underserved communities

**Increase engagement with NYS stakeholders** →



Host NYPA and community events at NYPA's visitor centers



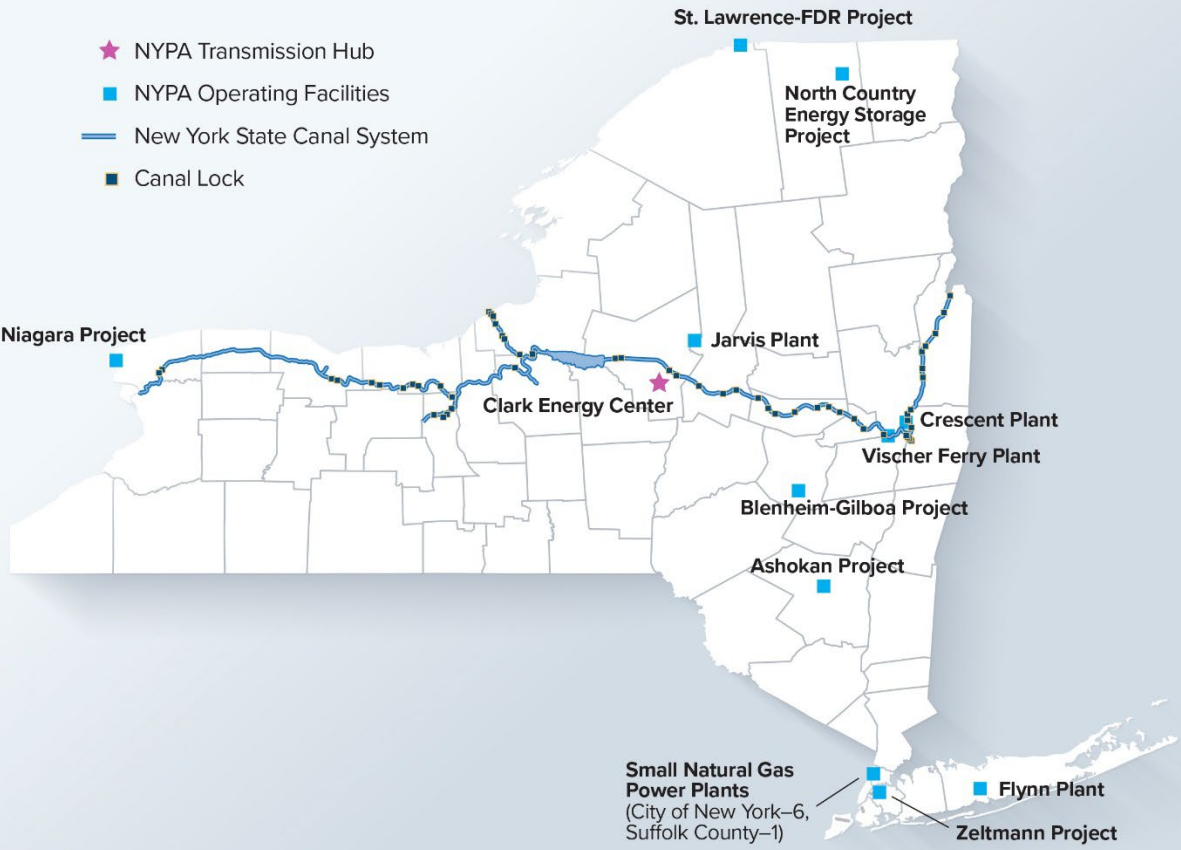
Hold briefings and meetings with elected officials and other stakeholders across all regions of the state



# Employer

- We will be a magnet for New York's best, brightest, most diverse talent

# Developing more students from interns into full-time roles



## Northeast Energy Consortium with CEWD

Cross-functional / cross-organizational effort to ensure a sustainable, qualified workforce pipeline to serve the energy needs of the Northeast Region

## Future Energy Scholarship

Removes financial barriers for college students in DACs to enter energy sector

## Environmental Justice Interns (P-Tech)

Paid positions that lead directly to career opportunities within the energy industry.

## Developmental Interns

Undergraduate, masters and PhD students as well as PTECH interns





## Success Story

# Developmental Internship Program



10-week, paid internship received

**6,000** applications  
**32** offers  
**28** accepted



Two interns received full-time offers to return, eight internships were extended into the fall.



Of the 28 interns accepted:  
**46%** identify as women  
**61%** identify as a person of color

*Being a P-Tech Intern at NYPA in 2022 provided critical insights into mechanical systems and energy efficiency, exemplifying NYPA's commitment to offering students early exposure to real-world engineering challenges and professional environments. Returning to NYPA in 2025 as a Mechanical Engineering Developmental Intern, (allowed me to) engage in root cause analysis of power plant component failures, perform CFD simulations, coordinate with code compliance teams, and assist in high-energy piping inspections, contributing to plant safety and reliability.*

- Our first P-TECH alum to join the Developmental Internship program



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# It's vital that we continue to listen and respond to our employees' professional development needs

## Connected Leadership Academy

Since 2020, 100+ NYPA and Canals employees have completed CLA

**45**  
Graduates;  
our largest  
cohort to-date

**41**  
Management  
Accelerator Program

**4**  
Executive Leadership  
Program

**37**  
People currently  
in the cohort  
that started in  
May 2025

Coming Soon

## Inclusive Leadership Program

The program focuses on what inclusive leaders think (mindset) and do (behaviors and actions).

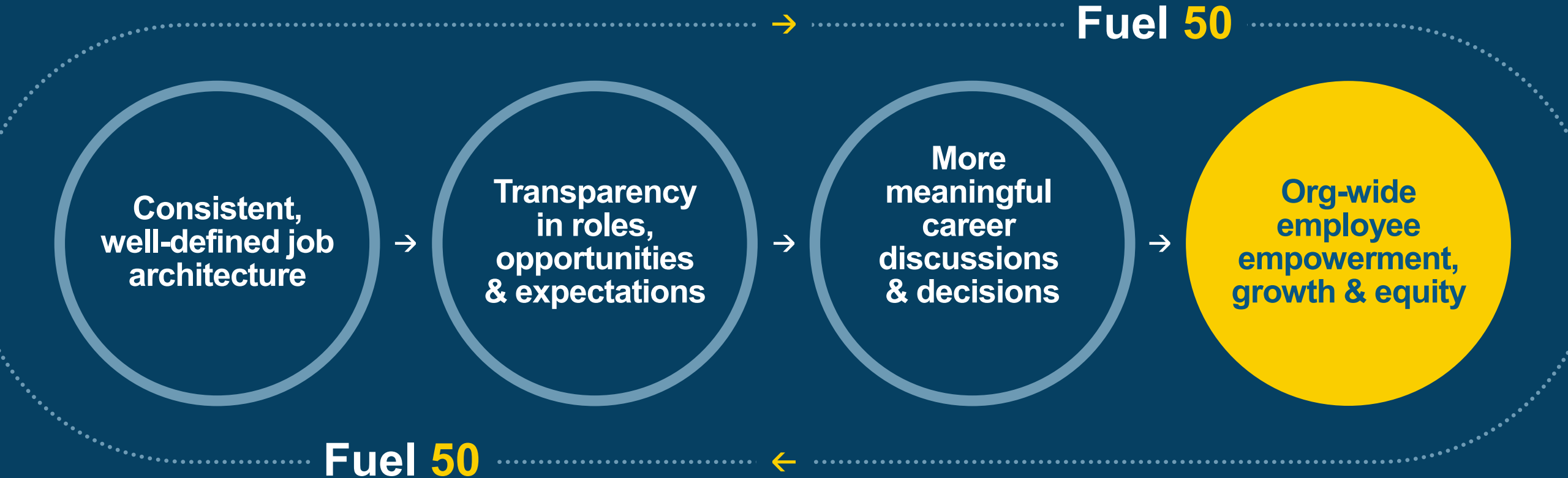
Coming Soon

## Manager Onboarding

The program focuses on fundamental skills for new managers to build positive relationships with team members, foster engagement, and improve productivity.

# Career Framework

Empowering employees with a clear vision  
and path for their career development



**We continue  
to make progress on  
fostering an inclusive,  
innovative, safety-  
focused culture at  
NYPA and Canals.**







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Powered  
from Within

# Thank You







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# AI Strategy Update

**Ron Carroll: VP IT Product  
Development & Data Management**



**Governance Committee Meeting**

October 14, 2025

# AI Strategy

## Executive Summary



- Implementing solutions across multiple aspects of our business
- Use case highlights
- Investments in foundational AI capabilities
- Securing our AI solutions now and in the future
- Continue our external engagement and leading the State & Industry

# Implementing AI solutions to increase productivity, optimize operations and drive innovation

- Released to Production
- Testing for Prod Release
- Proof of Concept



## Capital/System Planning:

- Hydro generation predictive modeling
- Project estimation for resource planning
- Asset depreciation analysis

## Operations:

- Anomaly detection & predictive maintenance using sensor/asset data
- Drone images for inspection and failure detection
- GenAI based assistant for asset work management

## Customer & Wholesale Markets:

- Predictive modeling for load forecasting
- GenAI based assistant for customer service
- Data analytics to optimize thermal energy projects

## Corporate Functions:

- NYPA's AI Assistant (Athena)
- Internal Audit Report Generation
- GenAI chatbots to enable search/chat on NYPA/Canal documents
- GenAI image/video generation & transcription

## Risk Reduction:

- Automated signature verification for compliance
- Drone images and LiDAR for situational awareness (i.e. asset management & vegetation management).

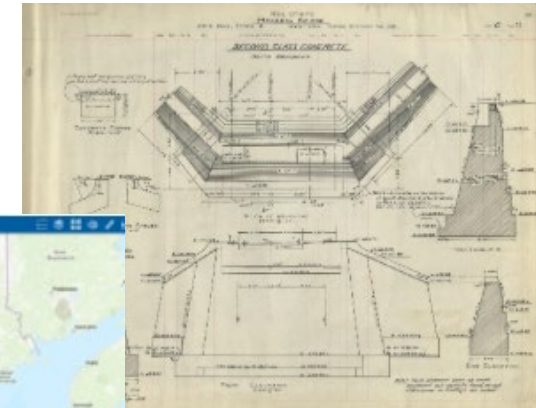
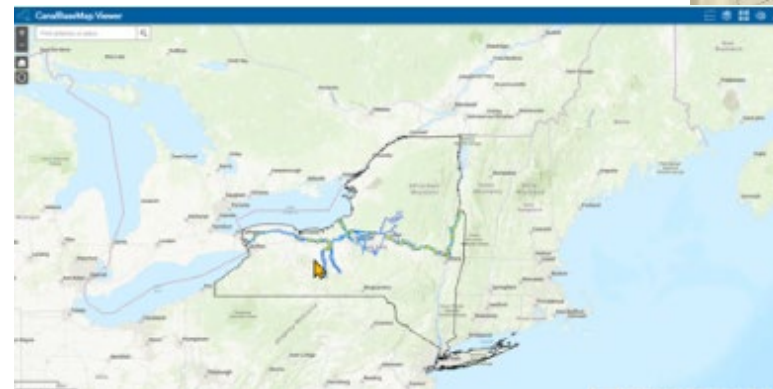
## Impacts:

- |   |  |   |  |  |
|---|--|---|--|--|
| <ul style="list-style-type: none"><li>Improve generation forecasting</li><li>1/3 reduction in time to estimate projects</li><li>Asset depreciation – cost savings from repeatedly using consultant services</li></ul> | <ul style="list-style-type: none"><li>Reduce inspection time by 15-20%, reduce risk &amp; increase accuracy</li><li>50% reduction in time to gather info from manuals, inspection forms, performance tests, drawings, etc.</li></ul> | <ul style="list-style-type: none"><li>Improve forecast accuracy &amp; generation/ financial planning</li><li>Easier access to customer account &amp; billing info.</li><li>Foundation model for load profiling for thermal energy customers</li></ul> | <ul style="list-style-type: none"><li><b>Athena:</b> 900 users, 70K conversations since Oct24</li><li>Reduce manual effort to create the draft audit report (280 hours per year)</li></ul> | <ul style="list-style-type: none"><li>Proactive compliance with PRC and NERC CIP for the regulatory work orders</li><li>Detect anomalies and potential risks and attend to them before they disrupt services</li></ul> |
|---|--|---|--|--|

# Use Case Highlight:

## Canals Search & Learn (SaL)

- Digitized Canals design images & developed an application to allow for easy search
- Documents that have historically been in the state archives in Albany
- Integrated with our Geographic Information System (GIS)

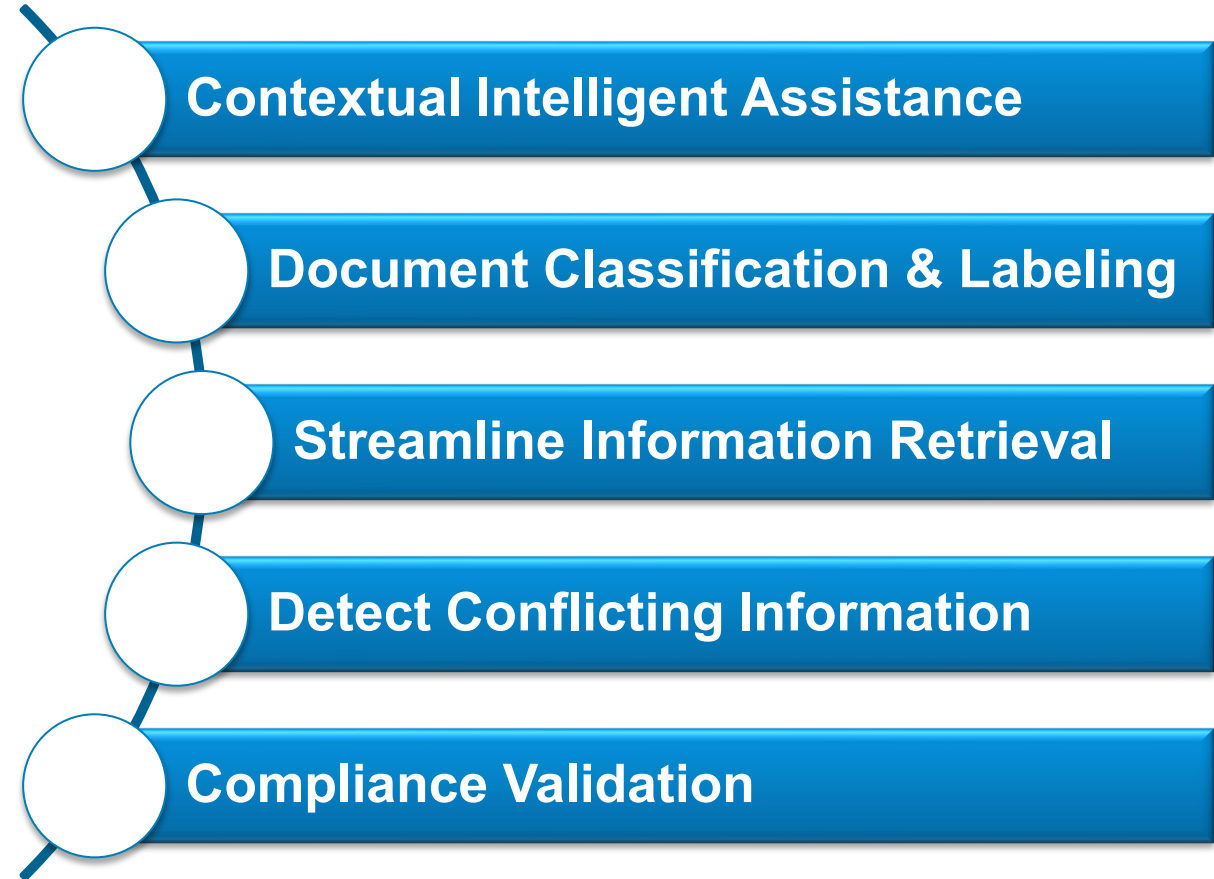


# Demo



## Use Case Highlight:

# Asset Contextual Search Assistant



# Demo





# Foundational investments in our AI capabilities

## Modern Data Platform



Democratizes data access and empowers employees to quickly gain insights with minimal data wrangling, leveraging advanced tools to manage modern data complexity.

## AI Platform & AI Governance Platform Strategy



Delivers a flexible, integrated solution aligned with NYPA/Canal's evolving needs, while enabling AI governance to ensure integrity. Together, they drive innovation, boost compliance, and position us as a utility AI leader.

## AI & Automation Center of Excellence



Centralized hub offering leadership, best practices, development, and support for AI and Automation. Drives innovation, standardizes processes, and ensures scalable implementation aligned with strategic goals.



# Securing our AI solutions

AI brings new challenges, but we're managing risk by applying existing safeguards—cyber security, architecture, and procurement reviews—as part of our governance approach.

## Current

### **IT Governance:**

- AI solutions follow standard governance and have embedded cyber security at each project stage

### **Secure-by-Design:**

- Implementations meet security standards based on NIST CSF
- DevSecOps ensures secure APIs and real-time protection integration

### **Supplier Review:**

- AI vendors undergo thorough risk analysis

## Planned

### **Model Context Protocol (MCP) Gateway:**

- Standardized, secure connectivity for AI agents with tools and data

### **AI Governance Platform:**

- Track and manage models, apps, and agents
- Monitor and comply with regulations
- Govern AI agents
- No-code policy enforcement and audit trails

# External Engagement: NYPA Leading the State & Industry

NYPA continues our external engagement and leadership and is sought after to participate in panels and presentations to share our experience.

## NYS State Engagement



Continue collaboration with NYS ITS & NYS Forum on monthly & quarterly AI events

Sharing NYPA's AI and data experience with other NYS agencies/authorities

## Energy Industry

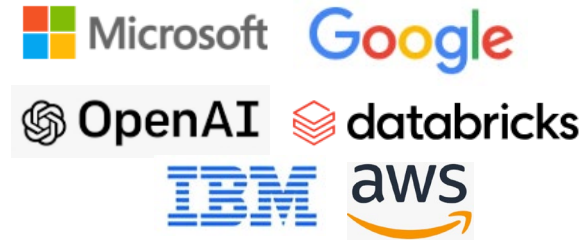


Presenting NYPA's experience with data and AI in multiple industry forums

Participating in the EPRI Data Management Project & Open Power AI Consortium

NYPA team competed in the Utility Analytics Institute hackathon.

## Industry Leading Technology Partners



Utilizing AI services from technology partners to develop AI capabilities

Google Security Platform & Legal document search POCs

Microsoft Agentic AI for Cyber eDiscovery

IBM Completed AI Platform & AI Governance Assessment

## Advisory Partners



EY: Engagement to modernize our data platform and implement our first data product

Gartner: Analyst input on AI technology direction & data readiness for NextGen ERP (Luminate)



**Date:** October 14, 2025

**To:** THE GOVERNANCE COMMITTEE

**From:** JOSEPH W. GRYZLO, VICE PRESIDENT & CHIEF ETHICS AND COMPLIANCE OFFICER

**Subject:** New York Power Authority and Canal Corporation Ethics and Compliance Program

## **ETHICS and COMPLIANCE**

### **SUMMARY**

The Ethics and Compliance Office (“ECO”) advises the NYPA and Canal Corporation (“Canals”) trustees, directors, officers and employees on the legal, regulatory and NYPA Code of Conduct ethics and compliance standards affecting their employees and operations. It coordinates the investigation of allegations and concerns involving NYPA’s and Canals’ assets and employees. ECO staff members participate in various committees and working groups related to enterprise compliance, resilience, risk management, internal controls and best business practices. This report highlights significant developments in the ethics and compliance program for the period March 18, 2025 through October 14, 2025.

### **BACKGROUND**

The principal substantive issues arising under the NYS ethics laws, NYPA’s Code of Conduct and the Canals’ Code of Ethics investigated or researched involved requests to engage in both personal, non-work related and professional outside activities and employment, conflict of interest reviews, financial disclosure analyses, post-employment guidance and assessments of unwarranted privileges.

The ECO provides guidance in support of emerging strategic initiatives across NYPA and Canals. Reaffirming and embedding the guiding principles of the NYS Public Officers Law and NYPA/Canals’ Codes of Conduct from the outset of a project or initiative sets a foundational expectation of ethical conduct and transparency. NYPA’s commitment to these principles ensures a resilient organization and protects NYPA and Canals’ most valuable resource--its employees, from violations of law and policy.

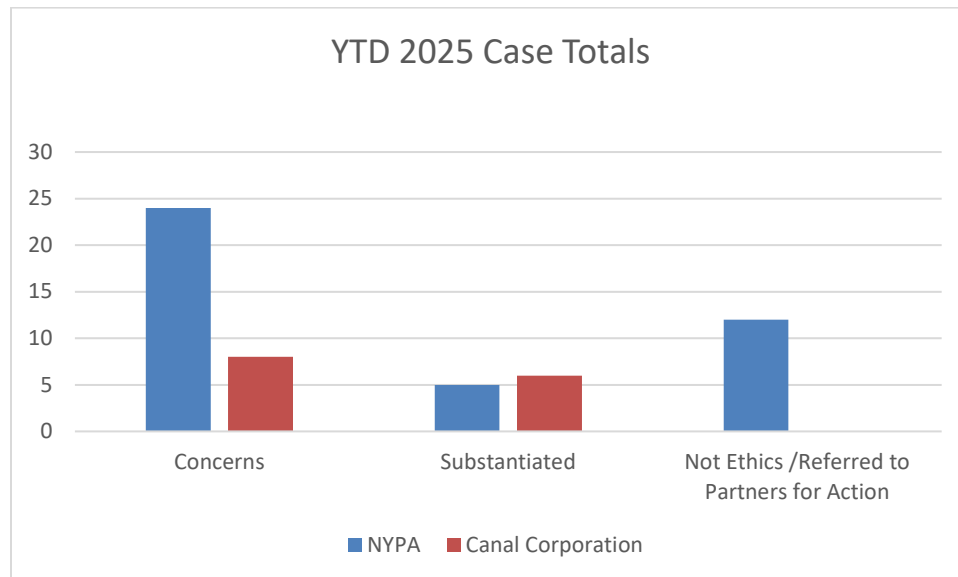
### **DISCUSSION**

The ECO responded to 553 ethics inquiries and issues through the current reporting period.

The charts below represent three consolidated workstreams; “Case Work”, “Advisory Services” and “Approvals/Guidance”. “Case Work” includes allegations of misconduct and retaliation concerns unrelated

to protected class claims, which are investigated by the Office of Civil Rights & Inclusion. “Advisory Services” captures inquiries for which we interpret the Public Officers Law and regulations of the New York State Commission on Ethics and Lobbying in Government (COELIG) and provide advice and counsel. The last graph, “Approvals/Guidance” reflects those inquiries where we issue determinations and ethics guidelines for specific individual and corporate requests for internal opinions.

### Caseload Management



### Notable Observations-Case Work:

There have been 24 allegations or concerns related to NYPA employees and eight concerning Canals' employees in 2025. Of the 24 NYPA based allegations, 5 were substantiated, 3 were unsubstantiated, 4 remain active and 12 were managed by either Employee Relations, the Office of Civil Rights and Inclusion or site Human Resources and/or Labor Relations for review with the ECO offering historical perspective, advice and guidance when appropriate. Six Canals' cases have been substantiated thus far in 2025.

It was determined that seven NYPA bargaining unit employees submitted false timesheets which included overtime for travel time during training trips to other facilities. Employees submitted per diem requests for travel on Sundays when GPS records indicate that they did not travel on Sunday but rather during the early morning hours of Monday. At the conclusion of the week of training, the instructor released the employees prior to the standard 3:30 pm end of the workday. The collective bargaining agreement provides for specific travel time allotments to travel to different facilities. These employees coded their time sheets as if they remained at training until 3:30 and then commuted home. GPS records indicate that several employees were dropped off at their homes by the designated drivers who then returned to their homes to remove personal items from the company vehicle and remained at their residences for up to two hours before returning the vehicle to the site. All time sheets were submitted with unauthorized overtime hours and meals' allotments. Employees claimed that they were entitled to these payments based on past practices and because they were 'self-studying' at their residences.

The seven bargaining unit employees were issued warning letters and received an uncompensated day of suspension. Additional internal controls were implemented requiring trainers to notify supervisors when employees are released from training prior to the end of their regular shifts. All supervisors have been reminded to pay close attention to time sheets to ensure that appropriate overtime is reported and paid.

A Canals' GIS Analyst contingent worker whose 12-month service contract was ending was submitted for an extension while the responsible manager explored a full-time position (FTE) for the work. Rather than pursue the FTE role, Canals' managers decided to staff this position through an RFP for the Canals Infrastructure Management System (CIMS) IT services consultant. The CIMS program was developed by the Thruway Authority and has been maintained by the same company for the past eight years. Rather than providing a sole-source contract for the work to this OGS approved contractor, the staff implemented a mini-bid through a recently approved group of consultants which established a prime contractor with the same sub-contractor continuing to provide direct services to the Canal Corporation. Of note, all responding prime bidders identified the same sub-contractor in their bids and included the names of the current consultant assigned to manage the Canal maintenance system and the name of the Canals' contingent worker in their bid proposals. Neither of the two Canals' employees reviewing the bids completed a conflict of interest form identifying that they were familiar with these individuals nor that the underlying goal was to retain the original sub-contractor to maintain continuity of services.

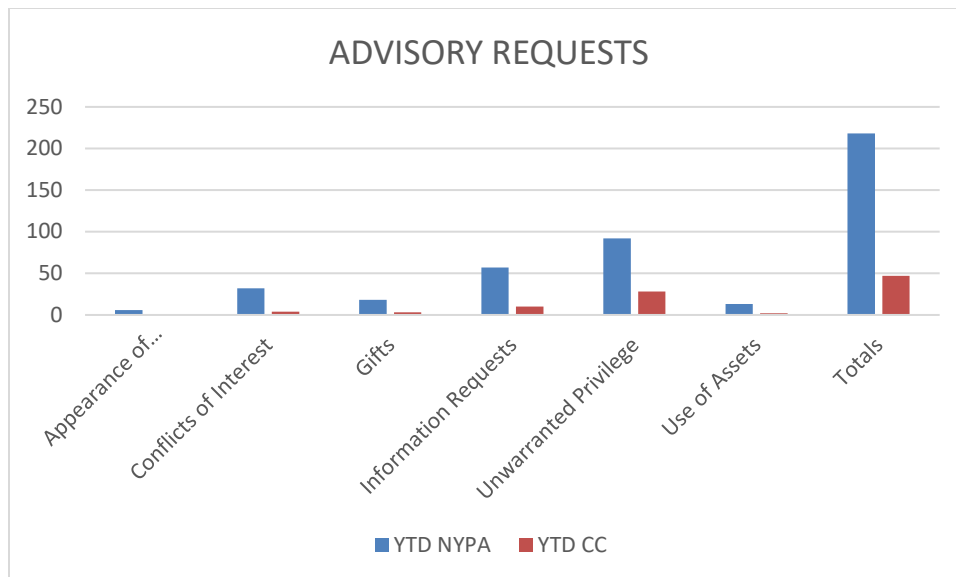
The ECO requested a special audit be conducted by the Internal Audit Department which resulted in several observations including that hiring the contingent worker as a consultant was a violation of the Contingent Worker policy that requires a two-year gap between serving as a contingent worker and providing services to NYPA as a consultant. The new contract increased the cost of this resource by 50%. Another observation addressed the lack of training on the Contingent Worker policy for Canals' staff. Appropriate training for Canals staff will be delivered by Q1 2026.

The ECO has recommended that all Strategic Supply Management Conflicts of Interest disclosure forms be completed after receipt and identification of all companies submitting proposals to RFPs, including a review of the vendor's proposed employees identified in their bid packages. This will allow bid reviewers to clearly identify any known contacts and past or current work performed by the bidding firms and their staff members.

A Canals' employee with access to confidential investigation files accessed several files related to a case in which the employee was acting as a witness. The employee had been instructed to recuse themselves from all aspects of the case, however they listened to interrogation recordings and communicated having accessed those files to another member of the investigative team. A review of those text exchanges revealed and the employee later admitted that they inappropriately accessed confidential files. The employee was placed on paid leave during the pendency of the investigation and later agreed to a one-week unpaid suspension and transfer to another unit with no access to confidential information or investigation responsibilities.

#### Notable Observations-Advisory Services:

The Advisory Services category includes inquiries related to unwarranted privileges, which are broadly defined as any attempt to use one's official state position to either obtain or provide privileges or exemptions for oneself or others. The ECO responded to a NYPA/Canals aggregate 120 unwarranted privilege requests, including 18 letters of support for grants and projects, 20 NYPA logo use requests, vetted 33 external conference-related presentations, including those co-presented with NYPA business stakeholders and 14 requests for business references from NYPA vendors.



Reviews included various vendor-related requests to co-author presentations and research papers for jointly developed projects and collaborations. Employees were instructed to not share any proprietary, non-public or confidential data or information and refrain from endorsing or otherwise promoting stakeholders and their products and services.

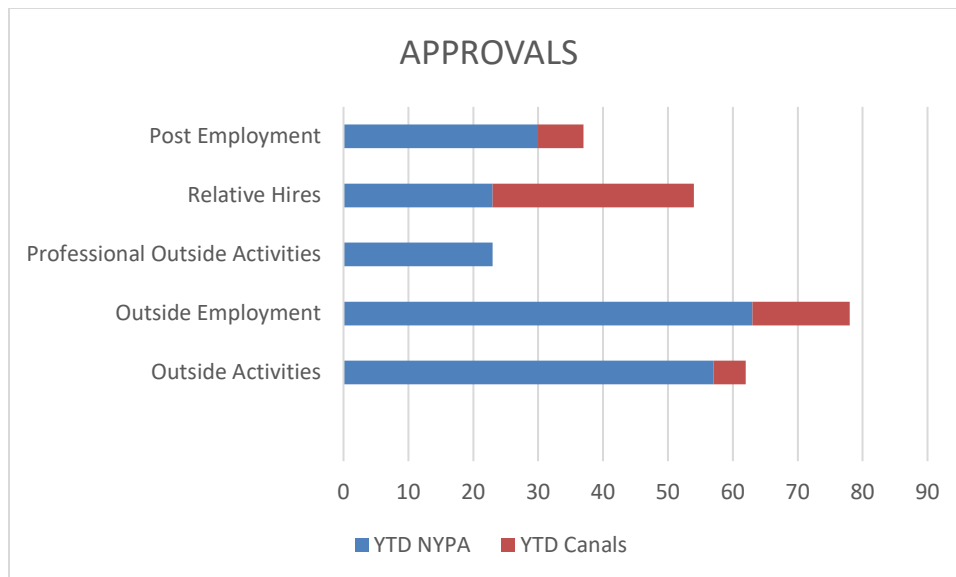
This category also includes requests to use NYPA and Canals' logos to promote various economic development initiatives and projects with customers and vendors. There was a spike in advice and guidance related to both the Canals' Bicentennial and the World Canals Conference events. Requests included the collaboration with the NYS Lottery to develop a commemorative Canals' related lottery raffle game with prizes up to one million dollars; Stewart's shops temporarily named an ice cream to celebrate the Canals' Bicentennial and review of the PBS documentary about the history of the Erie Canal.

Approximately 26 Requests for Proposal (RFP) engagements were reviewed for self-identified conflicts of interest (COIs) by participants on bid review committees. These COIs were submitted by both employees and third-party consultants responsible for evaluating responsive bids and making recommendations for approval. Identified conflicts include past work engagements with bidders and/or familial relationships or friendships with employees of firms submitting bids.

#### Notable Observations-Approvals/Guidance:

The ECO has reviewed a combined 62 NYPA and Canals' uncompensated personal outside activities and 23 professional outside activities. Approvals include roles on various industry boards, research organizations, high school and college curriculum development advisory boards to enable workforce development and prepare a skilled workforce for the electric industry, and service on various school boards, parent teacher associations, local planning and zoning boards.

The ECO reviewed 63 NYPA and 15 Canal Corporation compensated outside employment requests. These reviews included sole proprietorships, various adjunct professor roles for in-person and online coursework, Lyft and UberEats requests, rental properties and lawn/yard maintenance as well as two reviews for part time work in legal marijuana dispensaries.



Several requests submitted by designated policy makers for compensated work as adjunct professors were reviewed and approved by COELIG in accordance with its regulations.

### New York State Commission on Ethics and Lobbying in Government (COELIG)

COELIG is responsible for interpreting and ensuring compliance with the State's ethics and lobbying laws (NYS Public Officers Law) and regulations and administers the annual Financial Disclosure Program and mandatory ethics training for all New York State employees. The ECO continues to maintain collaborative working relationships with COELIG staff, including those in the Investigations, Law Department, Financial Disclosure and Training units.

### Financial Disclosure

2024 Financial Disclosure Statements ("FDS") were due at COELIG by May 15, 2025. The ECO continues to facilitate this process for delinquent filers and new hires subject to the FDS requirement.

### Training and Outreach

The Ethics Commission Reform Act of 2022 enhanced the ethics training requirements for all state employees, executives and Board members.

The ECO has provided training to 72% of NYPA employees and 94% of Canals' employees. The ECO is on track to deliver this mandatory training to all NYPA and Canals' employees by December 31.

Training options for Trustees and other external board members will be arranged by the Corporate Secretary's Office.

The ECO issued Federal Energy Regulatory Commission (FERC) Standards of Conduct training to the Trustees and 1038 employees via a computer-based training module in April. All but two individuals have completed the training, with one individual on long term leave, equating to 99.9% compliance.



## Compliance Reporting

The ECO collaborates with the Controller's Office and multiple stakeholders to ensure the accurate and timely preparation and submission of reports required by the NYS Public Authorities Law. This effort includes coordination of mandatory NYPA and Canals' website postings and entries into the Public Authorities Reporting Information System. NYPA and Canals are on track to achieve all required filings and postings. These reports comprise a comprehensive view into NYPA and Canals' finances, governance, organizational structure, operations and strategy. These and other mandatory reporting and training requirements are captured in NYPA and the Canals' electronic Compliance Repository. In September 2025, the Compliance Repository migrated to an updated, cloud-based Microsoft365 platform to align with NYPA's information technology architecture and to maintain access to Microsoft technical support.

## Internal Committee Governance

In December 2024, the ECO accepted responsibility for an initiative to evaluate and enhance NYPA and Canals' internal committee structures and frameworks, in response to an Internal Audit report. The audit report recommendations and the ECO's implementation do not apply to committees established by NYPA and Canals' Board of Trustees/Directors and/or bylaws (e.g., ERRMC), or those committees, working groups or task forces formed by and reporting to the CEO and President.

In January 2025, the ECO developed and published a new company policy and procedure that establishes governance for NYPA and Canals' management committees, and ensures transparent decision-making processes, standardization, accountability, recordkeeping, and information sharing. Each committee will have an Executive Management Committee member sponsor and a charter aligned with the governance standards. In February 2025, the ECO also launched a new centralized platform on NYPA's intranet with information and resources about governing NYPA and Canals' management committees, called *Committee Central*.

In 2025, the ECO has continued to familiarize NYPA & Canals' staff with the new governance for committees and developed *Committee Central* content and functionalities to enhance committee governance. The ECO continues to coordinate with committees and their leadership to facilitate and support each committee's alignment with the new committee governance standards. The ECO intends to publish a full list of committees on *Committee Central* after all committees are validated, documented and affirmed by their corresponding Executive Management Committee member sponsor.

## Enterprise Initiatives--Committees and Working Groups

The ECO continues to participate in various enterprise and departmental committees and program development working groups. Being engaged during the formulation, strategy, development and implementation of projects and initiatives allows the ECO to offer advice and guidance to ensure that ethical awareness, transparency and compliance with standards are foundational objectives as NYPA/Canals evolve in pursuit of VISION2030Renewed goals and underlying Foundational Pillars.

The ECO has convened three enterprise Compliance Work Group meetings during 2025 and has one scheduled in December 2025. Each meeting includes a presentation by a NYPA or Canals' department on key initiatives affecting the enterprises with a focus on compliance-related considerations. Recent presentation topics included NYPA and Canals' Robotics programs, Research and Development projects and initiatives, and the Erie Canal Bicentennial programs and World Canals Conference.

## TECHNICAL COMPLIANCE

### RELIABILITY STANDARDS COMPLIANCE (RSC)

#### BACKGROUND

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

#### DISCUSSION

##### NERC Reliability Standards Compliance Enforcement Actions

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

These potential noncompliance concerns were determined to be of minimal impact to the Bulk Electric System (BES). As such, RSC reported this to NPCC under the self-logging process and confirmed by NPCC.

##### Investigations of Potential Noncompliance

During the reporting period, RSC reviewed five (5) investigations of potential noncompliance of the NERC Reliability Standards. Three (3) investigations resulted in a determination of potential noncompliance and were submitted to NPCC, as described above. The remaining two (2) investigations are under review and pending a final determination.

This internal process is viewed by the regulator as evidence that NYPA has a strong internal compliance program and is able to self-identify and correct instances of non-compliance. RSC collaborates with applicable departments in developing mitigation plans to address noncompliance and prevent recurrence. RSC also works with NPCC enforcement throughout the process to address and respond to any regulatory requests for information.

##### Risk-Based Evidence Management Program

RSC implements a Risk-Based Evidence Management Program for identifying areas of risk and appropriate frequency for evaluation of controls and compliance evidence updates for the NERC Reliability Standards applicable to NYPA. This process ensures that NYPA's compliance program aligns with NERC's risk-based Compliance Monitoring and Enforcement Program and the NPCC guided self-certification process. In 2025, RSC is scheduled to review and update the evidence for nine (9) NERC Reliability Standards. To date, RSC has reviewed six (6) NERC Reliability Standards. Based on the evidence provided, no potential noncompliance was identified.

##### RSC Spot Checks

During the reporting period, RSC completed (3) three Spot Checks of NERC Reliability Standards. A Spot Check is a comprehensive assessment of a selected NERC Reliability Standard across the entire organization. In such assessments, Reliability Standards and Compliance Assessment Team (RSCAT) conducts a thorough assessment of the compliance evidence and adherence to governance documents applicable to the selected NERC Reliability Standard and/or NPCC Directory.

Based on the evidence provided for the (3) three Spot Checks, no potential noncompliance was identified. These assessments identified specific process improvements and recommendations for enhancement of the NYPA Internal Control Program. The identified improvements are assigned and tracked in the Recommendation Tracking Tool.

#### Self-Certification of Compliance

NYPA as a NPCC Full Member Functional Entity, in May 2025, submitted one (1) Self-Certification of Compliance with NPCC Regional Reliability Directory #8. RSC determined that NYPA was not in compliance with the Directory for the self-certification period. Transmission and RSC are collaborating to develop mitigating activities that will prevent recurrence of noncompliance with the NPCC Directory.

#### NPCC CIP and O&P Audit

NYPA received its Audit Notification Letter from NPCC, which advised the audit will focus on Critical Infrastructure Protection (CIP) and Operations & Planning (O&P). The audit was performed from April 28, 2025 – August 26, 2025. In August, the NPCC audit team conducted an on-site visit to BG. An audit closeout meeting is scheduled in mid-October.

#### Recommendation Tracking Tool

RSC's internal awareness tools are utilized to advise NYPA staff of prior enforcement issues and mitigation activities. Any lessons learned, root cause analyses, and/or recommendations are given to the compliance evidence managers aimed to improving the effectiveness of the compliance program. Recommendations can be internal improvements or external mitigation activities associated with audit recommendations or a potential noncompliance self-log/self-report.

During the reporting period, recommendations from the conclusion of risk-based evidence review process, Spot Checks and mitigating activities for recent PNCs have been incorporated in RSC's Compliance Tracking Tool and issued to SMEs.

#### NERC Critical Infrastructure Protection (CIP) / Operations and Planning (O&P) Standards

Due to our expanding transmission portfolio and NYPA's desire to participate in public/private transmission development projects to meet NYPSC goals in coming years, NYPA will be registering as a Transmission Operator (TOP) with NERC. In preparation of the TOP certification, RSC is working with the Energy Control Center (ECC) group to develop governance, controls, a training program and a new Energy Management System to ensure registration is successful. NPCC confirmed that an on-site visit to ECC will be held in November.

NERC identified a new registration Category 2 GO/GOP for owners and operators of non-BES IBRs not registered today that are greater than or equal to 20 MVA nameplate rating and interconnected at a voltage greater than or equal to 60 kV. NERC approved NYPA's GO/GOP registrations to include future IBR generation. The new registration will take effect in May 2026.

NERC disseminates information that it deems critical to ensuring the reliability of the bulk power system via "alerts" designed to provide concise, actionable information to the electric industry. During the reporting period, there were three (3) NERC alerts sent to industry. (1) Industry Recommendation: Cross-Border Remote Access to Bulk Power System Elements. (2) Essential Action Notification: Inverter-Based Resource Performance and Modeling. (3) Industry Recommendation: Addressing widespread risks associated with the interconnection and performance of Large Loads on the BPS.

CIP-015-1 Internal Network Security Monitoring was approved by FERC with an effective date of 10/1/2028. The Standard requires entities to monitor, analyze and alert on anomalous network traffic within Electronic Security Perimeters hosting externally-routable Medium Impact BES Cyber Systems, and / or High Impact BES Cyber Systems

NYPA has been chosen by NPCC to pilot their newly developed Program Design & Maturity Assessment. NPCC is interested not only in risks & controls directly associated with NERC compliance, but also other risks and controls which have been identified that could impact operations, reliability, and security. NPCC provided feedback and observations of the assessment, in which RSC will implement and take action.

FAC-008 Facility Walkdown - Internal Control - RSC is working with the Facility Ratings group and site personnel to conduct a field verification / confirmation for each component of each BES Element and comparing how it is connected in the field to how it is shown in the documents. To date, over 85% of the field components have been verified with minimal variances identified.

Compliance Framework for NYPA Renewables - RSC continues to coordinate with NYPA renewables to discuss progress and gather further details on project pipeline. Discussions included contractual, O&M and design considerations for NYPA from EPRI's perspective.

RSC is evaluating the initiation of a new 'Compliance Center of Excellence' to extract relevant data from NYPA asset management systems and sources to develop near real-time dashboards and improve visibility of field activities that impact NYPA's compliance posture.

NERC Compliance Consideration for New Projects – a compliance scoping tool, used to identify applicable NERC Standards based on the user input of project details. The checklist is being reviewed and updated and is intended to be incorporated into all project plan schedules. In addition, RSC staff have developed a draft compliance milestone schedule template that is being piloted as part of the Smart Path Connect project.

#### Quality Assurance

QA is performing most of the required factory inspections and vendor surveys in the US, Canada, and western Europe. We continue to use a 3rd party inspector in China on an as needed basis. Also, we continue to support procurements for the NGN, NIA 650T crane, Interconnects projects, and other major purchases for all NYPA generating and transmission facilities.

#### Code Compliance

Annual Safety Inspections – 2025 results to date for NYPA have reached 85.4% and Canals reached 86.8% with a 3rd Quarter target of 81%. Scheduling re-inspections for the remainder of 2025 is ongoing in efforts to reach 4<sup>th</sup> quarter targets.

The Annual OSHA Crane Inspection program for 2025 at all NYPA sites is ongoing. We continue supporting the further development of the OSHA Crane Inspection program for Canals.



**Date:** October 14, 2025

**To:** GOVERNANCE COMMITTEE

**From:** PRESIDENT and CHIEF EXECUTIVE OFFICER

**Subject:** Procurement and Related Reports for New York Power Authority and Canal Corporation (January – June 2025)

### SUMMARY

The Committee is requested to recommend to the New York State Authority Trustees and New York State Canal Corporation Board of Directors approval of certain 2025 Strategic Supply Management Department procurement and related reports for NYPA and, where appropriate and applicable the Canal Corporation, including: procurement contract activity; disposal of personal property; Supplier Diversity Program activities; plant inventory statistics; fossil fuels activities conducted by the Fuel Planning and Operations Group; and corporate finance activities conducted by the Treasury Group at their next meeting.

### BACKGROUND

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

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

### DISCUSSION

As more fully described in the individual reports attached hereto as Exhibits A - I, the Procurement Contract Summaries (Exhibits A and H) show activity for procurements of \$5,000 or greater that were active during the period January through June 2025, as identified by the Authority's SAP Enterprise Resource Planning ("ERP") system. The Disposal of Personal Property Report lists all personal property disposal transactions over \$5,000 conducted during the period January through June 2025. The Supplier Diversity Program Activity Report summarizes dollars awarded to New York State-certified Minority and Women-owned Business Enterprises ("MWBEs") as well as to Service-Disabled Veteran-Owned Businesses ("SDVOBs") based on reportable expenditures. Please note that the MWBE and SDVOB compliance and reportable expenditure values were generated for internal tracking purposes based on NYPA's

calendar year reporting and may not be in alignment with approved NYS fiscal year measures. The Plant Inventory Statistics lists current stock value and compares it to that of the previous year, with a brief explanation for any significant increase or decrease, where applicable. The Fossil Fuels and Corporate Finance Reports list the fuel- and finance-related transactions conducted by the Fuel Planning and Operations and Treasury work groups, respectively. The Transfer of Interest in Personal Property to Canal Corporation report identifies personal property transferred from the Authority to Canal Corporation deemed prudent by the Contracting Officer to facilitate the Canal Corporation's obligations to operate, maintain, construct, reconstruct, improve and develop the canal system

#### FISCAL INFORMATION

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

#### RECOMMENDATION

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

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

Justin E. Driscoll

President and Chief Executive Officer

## **RESOLUTION**

RESOLVED, That pursuant to Section 2879 of the Public Authorities Law and the Procurement and Related Reports for New York Power Authority and Canal Corporation, as amended, be, and hereby are, approved; and be it further

<b>Procurement and Related Reports</b>
NYPA Procurement Contracts Summary
Disposal of Personal Property (fleet only)
Supplier Diversity (SD) Program Activity
Plant Inventory Statistics
Fossil Fuels Activity
Corporate Finance
Transfer of Interest in Personal Property to Canal Corporation
Canal Corporation Procurement Contracts Summary
NYPA and Canal Corporation Disposal of Personal Property

RESOLVED, That the Procurement and Related Reports, and hereby are, reviewed and approved; and be it further

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



## **NYPA PROCUREMENT CONTRACTS SUMMARY** **January - June 2025**

In accordance with the NYPA Guidelines for Procurement Contracts, “procurement contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority’s White Plains office, facilities (including Canal Corporation), operations and maintenance and capital projects, including but not limited to, goods and commodities, major electrical equipment, construction, maintenance work and other services.

The following is a summary of all procurement contracts, including multi-year contracts, awarded through June 30, 2025 which were active during 2025 and are \$5,000 or greater in value. There were 2,220 such contracts with a value of more than \$6.40 billion, not including fossil fuel or corporate finance expenditures covered in Exhibits E and F of this report, respectively. Total procurement expenditures in 2025 exceeded \$451 million.

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

- 6% Construction services;
- 46% Equipment and Commodities;
- 5% Architectural and Engineering services;
- 22% Personal Service contracts such as professional consulting services, legal services; and
- 21% Non-Personal Service contracts such as maintenance, technicians, and contingent workforce

Based on the total value of the contracts included in this summary (\$6.40 billion), approximately 99% (\$6.35 billion) were competitively bid and 1% (\$56 million) were sole/single-source awards. Sole/single-source awards included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

POWER AUTHORITY OF THE STATE OF NEW YORK  
JANUARY - JUNE 2025 REPORT OF DISPOSAL OF PERSONAL PROPERTY (FLEET ONLY)  
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2897

Exhibit B  
October 14, 2025

Purchaser	Property	Date	FMV Determination	Fair Market Value	Received	Reason below Fair Market Value
KERMIT BEACHEM ELLWOOD CITY, PA 16117	2008 FORD F550	4/9/2025	Competitive Bid	16,355	16,355	
BRIAN CIEPLENSKI ROME, NY 13440	2010 WELLS CARGO EW1622	4/9/2025	Competitive Bid	2,303	2,303	
KRISTON CAMPOS ROME, NY 13440	TAYLOR DUNN B150	4/9/2025	Competitive Bid	555	555	
DAVID FRANK PALMYRA, NY 14522	TAYLOR DUNN R380	4/9/2025	Competitive Bid	310	310	
DANIEL YATES NEW HARTFORD, NY 13413	2008 ALUMACRAFT (Just Haul of Boat)	4/9/2025	Competitive Bid	310	310	
SKEETERBORO FARMS ROME, NY 13440-7106	2011 CHEVY TAHOE	4/9/2025	Competitive Bid	3,125	3,125	
JAIRO VARGAS NORTH ARLINGTON, NJ 07031	2012 CHEVY TAHOE	4/9/2025	Competitive Bid	2,880	2,880	
JOE DINITTO MARCY, NY 13403	2012 FORD F250	4/9/2025	Competitive Bid	9,495	9,495	
JOE DINITTO MARCY, NY 13403	2014 FORD EXPLORER	4/9/2025	Competitive Bid	3,615	3,615	
THADDEUS POTACZALA MARCY, NY 13403	2014 FORD EXPLORER	4/9/2025	Competitive Bid	8,025	8,025	
EMAD ABDELMALAK BAYONNE, NJ 07002	2014 FORD FUSION	4/9/2025	Competitive Bid	7,045	7,045	
B AND P UNITED INC NEWFOUNDLAND, NY 07435	2017 CHEVY MALIBU	4/9/2025	Competitive Bid	5,820	5,820	
VARNER AUTOMOTIVE PAULDING, OH 45879	2017 SUBARU OUTBACK	4/9/2025	Competitive Bid	10,475	10,475	
MAYRA SEGURA IBARRA JANESVILLE, WI 53546	2017 TOYOTA RAV 4	4/9/2025	Competitive Bid	13,415	13,415	
VYACHESLAV ZHITOMIR BROOKLYN, NY 11235	2017 TOYOTA RAV 4	4/9/2025	Competitive Bid	12,925	12,925	
YURIY OSTAPUK NEWPORT, NY 13416	POLARIS GEM EL XD	4/9/2025	Competitive Bid	343	343	

## **SUPPLIER DIVERSITY (SD) PROGRAM ACTIVITY**

### **January – June 2025**

Between January 1, 2025, and June 30, 2025, NYPA and the Canals reported \$58,087,974 in expenditures (or 18% utilization) with New York State-certified Minority- and Women-owned Business Enterprises (MWBE) and \$7,747,380 in expenditures (or 3% utilization) with NYS-certified Service-Disabled Veteran-Owned Businesses (SDVOB) to the State of New York. These figures encompass both direct contract and associated subcontractor payments made to MWBEs and SDVOBs across NYPA and the Canals' contract portfolio.

The Supplier Diversity program continues to educate NYPA and Canals stakeholders on the importance of engaging diverse and local businesses within our communities to contribute to the vitality and vibrancy of our neighborhoods. These activities include assessing more procurements for participation (subcontracting) goals to reflect the availability of certified firms, advocating for MWBEs and SDVOBs - especially those who have participated in our business development programs - and advising internal stakeholders to use applicable procurement strategies to engage additional diverse and local businesses as prime and subcontractors.

These actions continue to advance our VISION2030 Renewed goals by maintaining its objectives of a comprehensive implementation strategy with three primary goals:

- Empowering businesses to become *contract-ready* by offering supportive business development services that align with NYPA and the Canals' contracting needs.
- Advocating for the *inclusion of MWBEs and SDVOBs* in our supply chain as suppliers and subcontractors on our projects.
- *Increasing awareness* of contract opportunities by educating the marketplace about NYPA and the Canals' major projects and procurement processes.

### **Contract-Ready**

NYPA/Canals is actively involved in four business development programs that support diverse, veteran-owned, and small businesses in enhancing their capacity to work with the Authority and Corporation by creating a diverse supply chain rooted in our communities. Throughout these programs, New York State-based suppliers built valuable connections, gained insights into best-in-class business management tools, acquired information about capital financing readiness, and received expert-led education on business growth strategies.

During this period, we graduated seven Mentor-Protégé Program (MPP) pairs from the second cohort, working in the engineering, construction management, and commodities sectors. MPP encourages prime contractors to provide developmental assistance to diverse and local businesses in specific industry sectors, giving them a competitive advantage. We are proud to recognize that MPP generated over \$78 million in prime and subcontractor activity for our program graduates at the Authority and Corporation. Two pairs are continuing their ongoing relationship and continue to be supported by the Supplier Diversity team, and we are currently looking for additional pairs onboard to support this successful program.

Earlier this year, we launched PowerUp2030, NYPA's first sector-based small business development program, offering a unique immersion for established business leaders to pivot and expand into the exciting frontier of clean energy and renewable energy projects. We understand that building the supply chain now is critical to our future success, ensuring that businesses are ready and prepared as the State pushes forward on new sources of energy to benefit New York. Nineteen businesses have enrolled in the course through our collaboration with the City University of New York, LaGuardia Community College, and with support from our internal business units, such as Workforce Development, Customer Project Delivery, Sustainability, Renewables, and Risks teams. These businesses have begun their intensive training program with an expected graduation in August 2025.

Additionally, during this period, we graduated thirty-six participants in the third cohort of NYPA's Surety Bond Training, which helps entrepreneurs access surety bonds required to work on NYPA construction projects. Twenty-eight participants graduated through our Small & Local Business Capacity Building programs, which provide business management insights and tools to grow their businesses. These cohorts completed an intensive eight-month educational program, which included valuable one-on-one mentorship, expert-led group sessions, and knowledge content webinars. Over the past three cohorts of both programs, over \$33 million in prime and subcontractor activity at the Authority and Corporation was generated by the graduates.

Lastly, in collaboration with the On the Canals team, Supplier Diversity supports and manages a fifth business development program referred as the Accessibility Education Program to bring awareness of accessibility needs for On the Canals providers and assist with making programmatic offerings accessible to all New Yorkers. This inaugural cohort of eleven businesses participated in over 1,037 contact hours to formulate a Strategic Inclusion Action Plan. This plan included gathering community data to identify growth/need areas, increasing participation in community events highlighting accessibility features, designating a specific point-of-contact for accessibility questions, reevaluating physical space features to become ADA-compliant, and refreshing marketing/signage media to comply with ADA regulations.

#### *Inclusion of MWBEs and SDVOBs*

Aligned with relevant laws and regulations, the Supplier Diversity team continues to advocate for the inclusion of NYS-certified minority-, women-, and service-disabled veteran-owned businesses (MWBEs and SDVOBs) throughout our projects as prime contractors and subcontractors. To that end, we have set an aspirational goal of increasing spending with MWBEs and SDVOBs by 5% each year. As noted above, we are pleased to report \$58 million in MWBE spend for the first six months of 2025, which represents a 9.7% increase compared to the first six months of 2024. Similarly, for SDVOBs, the Authority spent \$7.7 million, representing an increase of 3.9% over the same period in 2024.

The team has continued its Contract Compliance webinar series, held each quarter to advise all suppliers with active contracts about their contractual obligations regarding Supplier Diversity Participation Goals as stipulated in their agreements with the Authority and Corporation. During this period, the Supplier Diversity team held two compliance webinars and trained forty-two suppliers. This proactive engagement, combined with recent changes to state laws and regulations for low-risk, low-dollar (discretionary) procurements made to MWBEs and SDVOBs,

positions us to advocate for additional procurements through this competitive process, ultimately increasing participation and utilization.

Furthermore, Supplier Diversity's active involvement in debriefings for MWBEs and SDVOBs, and encouragement for them to seek one when appropriate, not only helps them improve their responses to future procurements but also enables us to refer them to available technical assistance resources. This holistic approach ensures that our actions positively impact our communities by promoting inclusivity, advocacy, and educational and technical assistance.

### *Increasing Awareness*

The Supplier Diversity team remains committed to educating its supplier base on how to do business with NYPA and Canals. Through webinars, in-person meetings, and collaborations with other government procurement teams, we aim to empower diverse and local businesses within our communities. We also encourage suppliers to consider eligibility and apply for NYS certifications, fostering economic growth and providing opportunities for underrepresented entrepreneurs. Each year, we regularly update our digital presence ([nypa.gov/supplierdiversity](http://nypa.gov/supplierdiversity)) and print materials (Doing Business with NYPA and the Canals) to provide resources that help suppliers better align their offerings and engage with NYPA and the Canals in a meaningful way.

In May 2025, we hosted our annual Supplier Diversity Expo, welcoming over 700 attendees to learn about the Authority's projects, connect with decision-makers, and meet sixty-one key contractors and government agencies. Throughout the first half of 2025, we participated in twenty-six events across major New York State cities, including Albany, Buffalo, New York City, Rochester, and Syracuse, engaging with over 600 potential suppliers. These outreach efforts provide information on procurement opportunities and promote business with NYPA and the Canals. Additionally, these efforts assist NYPA in generating interest in its contract opportunities as primes and subcontractors engage with the Supplier Diversity Team and NYPA representatives to further grow opportunities within our supply chain.

We look forward to continuing our efforts to meet NYPA and the Canals' VISION2030 Renewed goals and supporting statewide initiatives to positively impact the communities we serve.

PLANT INVENTORY STATISTICS  
JANUARY - JUNE 2025

Exhibit D  
October 14, 2025

M&S Inventory Balances

		<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>
1100	NIA	21,693,644	21,287,823	20,830,816
1200	STL	17,911,446	17,312,358	16,722,679
3100	POL/SCPP	13,879,997 (A)	13,006,450 (C)	14,238,259
3200	Flynn	11,396,914	10,629,055	10,334,361
1300	B/G	14,036,889	13,571,385	12,881,183
3300	500MW	18,245,903	18,237,595	17,775,849
2100	CEC	8,676,393 (B)	7,811,168 (D)	6,076,193
7100	Canal	1,597,049	1,479,119	1,395,085
	Total	<u><b>\$ 107,438,235</b></u>	<u><b>\$ 103,334,953</b></u>	<u><b>\$ 100,254,425</b></u>

(A) 2025 includes \$696K for SCPP net purchases of:

4160 Station Service Transformer	\$365K
HPC Stage 1 Blades Kits	\$331K

(B) 2025 includes \$433K CEC net purchases of:

Bushing Transformer 800KV/765KV High Voltage Side	\$433 K
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(C) 2024 includes \$-1,149K for SCPP Stock issued net of Purchased:

HPFF Cable issued for Y-49 Upgrade & Modernization	-\$1,323K
Misc Interrupter Assemblies purchased	\$ 174K

(D) 2024 includes \$1,179K for CEC net purchases of:

B&S Electric Insulators	\$ 515K
765KV Disconnect Switch	\$ 200K
OPGW Conductor - "0"	\$ 157K
OPGW Conductor - Aluminum	\$ 97K
Fuse Type CXP Holders	\$ 89K
Midal Conductor	\$ 71K
Test Terminal	\$ 50K

POWER AUTHORITY OF THE STATE OF NEW YORK  
JANUARY - JUNE 2025 REPORT OF PROCUREMENT CONTRACTS  
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O N A	O P A	S D I V	B I D S	CONTRACT AMOUNT	EXPENDED TO DATE	EXPENDED 2025	DATE OF CONTRACT	O C	END DATE	
FD-1990-33	Northville Industries Corp. NIC Melville, NY 11747	Oil Storage Agreement -Setauket	E	2		N	N	0	19,211,211	19,211,211	346,206	04/01/94	O	03/31/26
FD-1990-34	Northville Industries Corp. NIC Melville, NY 11747	Oil Storage Agreement- Holtsville	E	2		N	N	0	6,231,219	6,231,219	86,551	10/01/93	O	03/31/26
FD-2002-11	PSEG EnergyResourcesTrade Newark, NJ 07102	NAESB Agreement for Natural Gas	E	B		F	N	32	11,017,721	11,017,721	0	11/01/02	O	*
FD-2003-09	J. Aron and Company New York, NY 10004	NAESB Agreement for Natural Gas	E	B		N	N	32	83,241,402	83,241,402	0	04/22/03	O	*
FD-2003-10	BP Energy Company Houston, TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32	221,828,649	221,828,649	0	10/01/04	O	*
FD-2003-12	Exelon Generation Company, LLC Baltimore, MD 21231	NAESB Agreement for Natural Gas	E	B		F	N	32	69,252,906	69,252,906	0	06/09/03	O	*
FD-2003-13	Merrill Lynch Commodities, Inc. Houston, TX 77046	NAESB Agreement for Natural Gas	E	B		F	N	32	2,538,965	2,538,965	0	11/01/03	O	*
FD-2003-14	Colonial Energy Inc. Fairfax, VA 22033	NAESB Agreement for Natural Gas	E	B		F	N	32	520,395,518	520,395,518	6,848	07/01/03	O	*
FD-2003-15	Virginia Power Energy Mktg Richmond, VA 23260	NAESB Agreement for Natural Gas	E	B		F	N	32	629,265,426	629,265,426	0	07/11/03	O	*
FD-2004-08	Shell Energy North America (US), L.P. Houston, TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	104,560,527	104,560,527	1,436,939	04/01/04	O	*
FD-2005-12	NJR Energy Services Co Wall, NJ 07719	NAESB Agreement for Natural Gas	E	B		F	N	32	486,329,144	486,329,144	0	09/01/05	O	*
FD-2008-05	Sequent Energy Mgmt LP Houston, TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	44,094,869	44,094,869	0	03/01/08	O	*
FD-2008-06	Macquarie Energy LLC Houston, TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	47,096,447	47,096,447	0	07/01/08	O	*
FD-2008-10	United Energy Trading, LLC Lakewood, CO 80228	NAESB Agreement for Natural Gas	E	B		F	N	32	160,270,283	160,270,283	556,771	11/19/08	O	*
FD-2009-07	Conoco Phillips Company Houston, TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32	54,624,087	54,624,087	54,908	05/01/09	O	*
FD-2009-08	NextEra Energy Power Marketing, LLC Juno Beach, FL 33408	NAESB Agreement for Natural Gas	E	B		F	N	32	15,896,315	15,896,315	0	12/01/09	O	*
FD-2010-02	ENSTOR Energy Services, LLC Houston, TX 77070	NAESB Agreement for Natural Gas	E	B		F	N	32	37,442,338	37,442,338	0	08/09/10	O	*
FD-2011-06	EDF Trading North America, LLC Houston, TX 77041	NAESB Agreement for Natural Gas	E	B		F	N	32	219,624,921	219,624,921	2,116,681	06/01/11	O	*
FD-2011-10	Tenaska Gas Storage, LLC Omaha, NE 68154	NAESB Agreement for Natural Gas	E	B		F	N	32	1,251,315	1,251,315	0	12/01/11	O	*
FD-2011-11	Statoil Natural Gas, LLC Stamford, CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32	18,684,302	18,684,302	0	04/18/12	O	*



POWER AUTHORITY OF THE STATE OF NEW YORK  
JANUARY - JUNE 2025 REPORT OF PROCUREMENT CONTRACTS  
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	TYPE	MR	ON	OP	S	D	B	CONTRACT AMOUNT	EXPENDED TO DATE	EXPENDED 2025	DATE OF CONTRACT	O \ C	END DATE
FD-2012-02	Repsol Energy North America Corporation The Woodlands, TX 77381	NAESB Agreement for Natural Gas	E	B		F	N	32		51,592,502	51,592,502	576,416	11/13/12	O	*
FD-2013-06	Chesapeake Energy Marketing, LLC Oklahoma City, OK 73154	NAESB Agreement for Natural Gas	E	B		F	N	32		71,803,903	71,803,903	0	05/28/13	O	*
FD-2014-08	Spark Energy Gas, LLC Houston, TX 77079	NAESB Agreement for Natural Gas	E	B		F	N	32		443,923,804	443,923,804	6,690,098	02/01/14	O	*
FD-2014-12	EQT Energy, LLC Pittsburgh, PA 15222	NAESB Agreement for Natural Gas	E	B		F	N	32		42,944,072	42,944,072	3,296,876	05/01/14	O	*
FD-2014-16	Pacific Summit Energy LLC Irvine, CA 92614	NAESB Agreement for Natural Gas	E	B		F	N	32		159,612,319	159,612,319	3,782,566	08/11/14	O	*
FD-2015-03	Cabot Oil & Gas Corporation Houston, TX 77024	NAESB Agreement for Natural Gas	E	B		F	N	32		2,439,304	2,439,304	0	03/02/15	O	*
FD-2015-05	DTE Energy Trading, Inc. Ann Arbor, MI 48104	NAESB Agreement for Natural Gas	E	B		F	N	32		172,431,680	172,431,680	11,279,211	08/14/15	O	*
FD-2015-07	Definite Energy Group New York, NY 10022	NAESB Agreement for Natural Gas	E	B		N	N	32		385,895	385,895	0	10/01/15	O	*
FD-2015-10	Direct Energy Business Marketing, LLC Iselin, NJ 08830	NAESB Agreement for Natural Gas	E	B		F	N	32		22,924,691	22,924,691	14,414,032	12/14/15	O	*
FD-2016-02	Astoria Energy II LLC Astoria, NY 11105	AEII Demand Charges	E	2		N	N			214,337	214,337	19,489	05/01/16	O	*
FD-2018-09	Twin Eagle Resource Management LLC Houston, TX 77040	NAESB Agreement for Natural Gas	E	B		F	N	32		6,070,679	6,070,679	0	07/10/18	O	*
FD-2018-13	Engie Energy Marketing NA, Inc Houston, TX 77058	NAESB Agreement for Natural Gas	E	B		F	N	32		9,146,636	9,146,636	0	04/12/18	O	*
FD-2018-19	Consolidated Edison Energy Valhalla, NY 10595	NAESB Agreement for Natural Gas	E	B		N	N	32		195,568	195,568	0	02/19/19	O	*
FD-2018-20	Freepoint Commodities LLC Stamford, CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32		17,312,089	17,312,089	910,503	06/28/18	O	*
FD-2018-21	Penn Oak Services, LLC Washington, DC 20012	NAESB Agreement for Natural Gas	E	B		F	N	32		10,229,068	10,229,068	1,160,378	07/19/18	O	*
FD-2019-02	Castleton Commodities Mercant Trading LP 2200 Stamford, CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32		191,015,110	191,015,110	23,431,305	02/08/19	O	*
FD-2019-03	Spotlight energy LLC Houston, TX 77024	NAESB Agreement for Natural Gas	E	B		F	N	32		43,890,702	43,890,702	1,401,641	04/18/19	O	*
FD-2019-06	Transco Houston, TX 77216	Firm Gas Transportation Agreement	E	2		F	N			4,221,172	4,221,172	898,364	06/01/19	O	*
FD-2019-07	Con Edison New York, NY 10003	LDC Agreement	E	2		N	N			16,585,564	16,585,564	1,460,118	07/01/19	O	*
FD-2020-01	Vitol Houston, TX 77098	NAESB Agreement for Natural Gas	E	B		F	N	32		71,345,229	71,345,229	3,420,297	01/14/20	O	*

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CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O N E Y	R O P A	S D I V	B I D S	CONTRACT AMOUNT	EXPENDED TO DATE	EXPENDED 2025	DATE OF CONTRACT	O C	END DATE	
FD-2020-02	Gunvor Houston, TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	1,442,633	1,442,633	0	03/02/20	O	*
FD-2020-09	Six One Commodities Stamford, CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32	16,590,755	16,590,755	1,565,516	10/22/20	O	*
FD-2020-10	Diversified Roswell, GA 30075	NAESB Agreement for Natural Gas	E	B		F	Y	32	3,125	3,125	0	10/23/20	O	*
FD-2020-11	Aggressive Energy Brooklyn, NY 11231	NAESB Agreement for Natural Gas	E	B		N	N	32	4,485	4,485	0	01/04/21	O	*
FD-2022-10	Citadel Energy Marketing LLC Chicago, IL 60603	NAESB Agreement for Natural Gas	E	B		F	N	32	28,118,087	28,118,087	6,535,704	07/07/22	O	*
FD-2022-11	DXT Commodities North America Inc Stamford, CT 06902	NAESB Agreement for Natural Gas	E	B		F	N	32	1,281,578	1,281,578	361,700	07/13/22	O	*
FD-2022-12	Uniper Global Commodities North America LLC Chicago, IL 60602	NAESB Agreement for Natural Gas	E	B		F	N	32	3,243,389	3,243,389	15,740	07/21/22	O	*
FD-2022-14	Atlantic Product Services, Inc. Carteret, NJ 07008	Oil Inspection Agreement	S	B		F	N	10	58,525	58,525	19,923	01/01/23	O	12/31/25
FD-2022-09	Camin Cargo Control, Inc. Pasadena , TX 77506	Oil Inspection Agreement	S	B		F	N	10	41,543	41,543	8,628	01/01/23	O	12/31/25
FD-2022-15	Emera Energy Services, Inc. Halifax, NS B3J1A1 CANADA	NAESB Agreement for Natural Gas	E	B		F	N	32	83,016,129	83,016,129	18,794,128	09/20/22	O	*
FD-2022-20	Hartree Partners, LP New York, NY 10036	NAESB Agreement for Natural Gas	E	B		N	N	32	11,221,301	11,221,301	4,400,905	10/28/22	O	*
FD-2022-21	Koch Energy Services, LLC Wichita, KS 67220	NAESB Agreement for Natural Gas	E	B		F	N	32	6,161,757	6,161,757	1,873,328	12/01/22	O	*
FD-2025-05	George E Warren LLC Vero Beach, FL 32963	Oil Purchase	E	B		F	N	5	6,239,077	6,239,077	6,239,077	03/05/25	C	03/18/25
FD-2025-05a	George E Warren LLC Vero Beach, FL 32963	Oil Purchase	E	B		F	N	5	2,633,297	2,124,409	2,124,409	02/18/25	C	02/28/25
FD202501	Northville Industries Corp. NIC Melville, NY 11747	Oil Purchase	E	B		F	N	5	688,539	688,539	688,539	01/08/25	C	01/15/25
FD-2025-01	Northville Industries Corp. NIC Melville, NY 11747	Oil Purchase	E	B		F	N	5	2,633,297	2,633,297	2,633,297	01/08/25	C	01/15/25
FD-2025-02	Northville Industries Corp. NIC Melville, NY 11747	Oil Purchase	E	B		F	N	5	6,083,427	6,083,427	6,083,427	02/07/25	C	02/13/25
FD-2025-03	Northville Industries Corp. NIC Melville, NY 11747	Oil Purchase	E	B		F	N	5	2,541,724	2,541,724	2,541,724	02/07/25	C	02/13/25
FD-2024-07	UGI Energy Services Wyomissing, PA 19610	NAESB Agreement for Natural Gas	E	B		F	N	32	411,558	411,558	54,582	02/06/24	O	*
FD-2024-08	Calpine Energy Services Houston , TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	1,401,762	1,401,762	707,016	02/06/24	O	*

POWER AUTHORITY OF THE STATE OF NEW YORK  
JANUARY - JUNE 2025 REPORT OF PROCUREMENT CONTRACTS  
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

CONTRACT NUMBER	PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O N E T A R Y	R O U N D I N G	O P E N I N G	S I D E S	B I D S	CONTRACT AMOUNT	EXPENDED TO DATE	EXPENDED 2025	DATE OF CONTRACT	O C	END DATE
FD-2024-04	National Grid - LI Hicksville, NY 11801	LDC Agreement (Brentwood & Flynn)	E	2		N	N		2,551,542	2,551,542	1,749,056	08/01/24	O	*
FD-2024-05	National Grid - NY Brooklyn, NY 11201	LDC Agreement(G/K/P)	E	2		N	N		746,004	746,004	298,155	08/01/24	O	*
FD-2025-06	South Jersey Resource Group LLC Folsom, NJ 08037	NAESB Agreement for Natural Gas	E	B	0	F	N	32	580,525	580,525	580,525	04/29/25	O	*
FD-2024-06	TC Energy Marketing Inc Houston , TX 77002	NAESB Agreement for Natural Gas	E	B		F	N	32	1,429,968	1,429,968	900,394	06/24/24	O	*

FUELS TOTALS

4,270,265,910    4,269,757,022    135,521,972

NOTE:

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

POWER AUTHORITY OF THE STATE OF NEW YORK  
JANUARY – JUNE 2025 PROCUREMENT CONTRACTS  
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2879

PROVIDER NAME	CONTRACT DESCRIPTION	T Y P E	M O A	R N A	O P A	S D I V	B I D S	CONTRACT AMOUNT	EXPENDED TO DATE	EXPENDED IN YEAR	DATE OF CONTRACT	O C	END DATE
PFM FINANCIAL ADVISORS LLC PHILADELPHIA, PA 19103	Capital Markets Financial Advisor	P	B	9	N	N	1	300,050	300,050	0	8/19/2019	O	
Piper Sandler Minneapolis, MN 55402	Capital Markets Financial Advisor	P	B	9	N	N	2	1,776,384	1,776,384	240,711	1/1/2022	O	
Hilltop (Prager & Co) San Francisco, CA 94111	Capital Markets Financial Advisor	P	B	9	N	N	2	196,929	196,929	0	1/1/2022	O	
Hilltop (Prager & Co) San Francisco, CA 94111	Capital Markets Financial Advisor_SFP	P	B	9	N	N	2	5,000	5,000	0	1/1/2022	O	
Credit Agricole New York, NY 10019	Advisors	P	B	9	N	N	1	10,000	10,000	0	6/12/2020	O	
Digital Assurance Certification (DAC)Formerly an Ernst & Young LLP affiliate company Orlando, FL 32801	Post Issuance Compliance provider	P	B	9	N	N	1	3,500	3,500	0	4/17/2023	O	
Bank of America New York, NY 10036	Re-marketing Agent CP-1	S	B	9	N	N	1	190,548	190,548	87,260	2/11/2022	O	
Bank of New York (formerly JPMorgan) New York, NY 10286	Trustee/Paying Agent Services on Bonds _ SPF 2023	S	B	9	N	N	1	7,000	7,000	0	4/1/2022	O	
Bank of New York (formerly JPMorgan) New York, NY 10286	Trustee/Paying Agent Services on Bonds	S	2	9	N	N	1	767,801	767,801	0	2/24/1998	O	
Bank of New York (formerly JPMorgan) New York, NY 10286	Trustee- Commercial Paper	S	2	9	N	N	1	328,817	328,817	0	10/2/2006	O	
Barclays Capital (assigned from Lehman Bros.) ** New York, NY 10019	Re-marketing Agent CP-1	S	B	9	N	N	1	2,195,541	2,195,541	0	7/14/1994	O	
Barclays Capital (assigned from Lehman Bros.) New York, NY 10019	Re-marketing Agent CP-3	S	B	9	N	N	1	41,988	41,988	0	6/26/2008	O	
Citigroup New York, NY 10013	Re-marketing Agent CP-2	S	B	9	N	N	1	1,351,308	1,351,308	0	12/4/1997	C	3/9/2024
Goldman, Sachs & Co. New York, NY 10004	Re-marketing Agent CP-2 and 3	S	B	9	N	N	1	1,332,549	1,332,549	0	12/4/1997	O	
Goldman, Sachs & Co. New York, NY 10004	Re-marketing EMCP	S	B	9	N	N	1	958,839	958,839	0	3/4/2003	O	
JPMorgan Chase New York, NY 10017	Re-marketing Agent CP-2	S	B	9	N	N	1	665,642	665,642	22,078	6/28/2001	O	
JPMorgan Chase New York, NY 10017	Re-marketing Agent CP-3	S	B	9	N	N	1	779,205	779,205	4,342	12/4/1997	O	
JPMorgan Chase New York, NY 10017	Escrow Agent POCR/CASP & LMEI Funds	S	B	9	N	N	1	621,903	621,903	0	5/30/1996	O	
JPMorgan Chase New York, NY 10017	Revolving Line of Credit 2019	S	B	9	N	N	1	26,000,004	26,000,004	1,541,722	1/19/2019	O	6/23/2028
JPMorgan Chase New York, NY 10017	Revolving Line of Credit 2020	S	B	9	N	N	2	6,542,659	6,542,659	625,492	4/22/2020	O	6/23/2028
Morgan Stanley New York, NY 10020	Re-marketing Agent CP-1	S	B	8	N	N	7	517,518	517,518	0	3/31/2009	O	
RBC Capital Markets ** New York, NY 10036	Re-marketing Agent CP-1	S	B	9	N	N	7	980,955	980,955	0	7/14/1994	O	
Sustainalytics U.S. Inc. New York, NY 10007	Surveillance of our Green Bond framework & financing	S	B	9	N	N	1	68,000	68,000	25,000	7/2/2024	O	
TD Securities (USA) LLC One Vanderbilt Avenue, 10th Floor New York, NY 10017	Re-marketing Agent CP	S	B	9	N	N	1				5/13/2025	O	
FINANCE TOTALS								45,642,138	45,642,138	2,546,606			

## NOTES:

\*\* Expense History only available from 1997

Exhibit G  
October 14, 2025

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## **CANAL CORPORATION PROCUREMENT CONTRACTS SUMMARY** **January - June 2025**

In accordance with the Canal Corporation Guidelines for Procurement Contracts, “procurement contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Canal Corporation's operations and maintenance and capital projects, including but not limited to, goods and commodities, construction, maintenance work and other services.

The following is a summary of all procurement contracts, including multi-year contracts, awarded through June 30, 2025 which were active during 2025 and are \$5,000 or greater in value. There were 456 such contracts with a value of more than \$190 million. Total procurement expenditures for Canal Corporation in 2025 exceeded \$26 million.

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

- 3% Construction services;
- 58% Equipment and Commodities;
- 6% Architectural and Engineering services;
- 11% Personal Service contracts such as professional consulting services, legal services; and
- 22% Non-Personal Service contracts such as maintenance, technicians, and contingent workforce

Based on the total value of the contracts included in this summary (\$190 million), approximately 95% (\$180 million) were competitively bid and 5% (\$10 million) were sole/single-source awards. Sole/single-source awards included, but were not limited to, the purchase of highly specialized spare parts and services from original equipment manufacturers, procurement of services on an emergency basis and proprietary sources.

NYP&C AND CANAL CORPORATION  
JANUARY - JUNE 2025 REPORT OF DISPOSAL OF PERSONAL PROPERTY  
REQUIRED BY N.Y. PUBLIC AUTHORITIES LAW, SECTION 2897

Exhibit I  
October 14, 2025

Purchaser	Property	Date	FMV Determination	Fair Market Value	Received	Reason below Fair Market Value
Robert Stanzoni	2020 Grand Design Imagine Camper	4/22/2025	competetive Bid	\$ 13,300.00	\$ 13,300.00	
Robert Stanzoni	2020 Forest River Avenger Camper	4/22/2025	competetive Bid	\$ 9,000.00	\$ 9,000.00	
Daniel Eberhardt	2020 Grand Design Transcend Camper	4/22/2025	competetive bid	\$ 9,900.00	\$ 9,900.00	
Mark Thornhill	2020 Grand Design Imagine Camper	4/22/2025	competetive bid	\$ 14,400.00	\$ 14,400.00	
Floyd Bartlett	2020 Grand Design Transcend Camper	4/22/2025	competetive Bid	\$ 8,600.00	\$ 8,600.00	
Frank Foster, Green Acres	2020 Grand Design Imagine Camper	4/22/2025	competetive Bid	\$ 14,900.00	\$ 14,900.00	
Kenneth Taliadoros, Great Eastern Marine Service inc	1999 Little Giant 64 Truck Crane with lattice booms	4/23/2025	competetive bid	\$ 19,100.00	\$ 19,100.00	
Justin Bradley	Case Series 2 580L Loader Backhoe	4/23/2025	competetive bid	\$ 15,300.00	\$ 15,300.00	
Frank Barber, Simply Garlic LLC	2020 Alamo Traxx RC56 Remote Flail Mower	4/23/2025	competetive bid	\$ 20,200.00	\$ 20,200.00	
Christopher J Rodriguez	2002 Sterling LT900 10 Wheel Dump Truck	4/23/2025	competetive bid	\$ 9,400.00	\$ 9,400.00	
Thomas Foster, Stonehill Farms	2002 International 2574 6x4 Dump Truck/94194	4/23/2025	competetive bid	\$ 8,600.00	\$ 8,600.00	
Eugene Rubinchuk, Michael's Auto Plaza 9 20 Corp.	2017 Dodge Ram 3500HD Pickup Truck	4/23/2025	competetive bid	\$ 15,100.00	\$ 15,100.00	
Tim Freunds Schuh, Bobcat of Buffalo	2020 Alamo Traxx RC56 Remote Flail Mower	4/23/2025	competetive bid	\$ 19,700.00	\$ 19,700.00	
Jeffrey Rapasadi	Mohawk Lift, Model #TP-15	5/1/2025	competetive bid	\$ 5,600.00	\$ 5,600.00	
Gary & Matt Fullerton - Fullerton Dairy, LLC	Ferris 72" IS3200Z Zero Turn Mower	5/1/2025	competetive bid	\$ 5,600.00	\$ 5,600.00	
Howard Michaels - Fly Creek Cider Mill & Orchard, Inc.	2011 Ford F350 Super Duty Extended Cab Utility Truck	5/1/2025	competetive bid	\$ 5,900.00	\$ 5,900.00	
Timothy Roberts	Ferris 72" IS3200Z Zero Turn Mower	5/1/2025	competetive bid	\$ 6,400.00	\$ 6,400.00	
Gurnake Singh - Best Dispatch Inc.	2016 Chevy Impala Limited 4 Door Sedan	5/1/2025	competetive bid	\$ 6,000.00	\$ 6,000.00	
SUNY Oswego	EV Tooling	5/23/2025	Transfer via Donation	\$ 11,000.00	\$ -	Transfer - Donation through Env. Justice - Approved by Trustees
Rockland BOCES	EV Tooling	5/23/2025	Transfer via Donation	\$ 11,000.00	\$ -	Transfer - Donation through Env. Justice - Approved by Trustees
James E Sheehan, Sheehan Equipment Corp.	Flat Scow	5/27/2025	competetive bid	\$ 15,100.00	\$ 15,100.00	
James E Sheehan, Sheehan Equipment Corp.	Dump Scow	5/27/2025	competetive bid	\$ 35,100.00	\$ 35,100.00	
James E Sheehan, Sheehan Equipment Corp.	Dump Scow	5/27/2025	competetive bid	\$ 5,200.00	\$ 5,200.00	
Robert Goldman, New York State Marine Highway Transportation, LLC	Flat Scow	5/27/2025	competetive bid	\$ 20,100.00	\$ 20,100.00	
Michelle Hayes	Flat Scow	5/27/2025	competetive bid	\$ 25,100.00	\$ 25,100.00	
Michael Burns	2021 Keystone Cougar Camper	6/17/2025	competetive bid	\$ 18,200.00	\$ 18,200.00	
Ryan Tremblay	J & J Enclosed Trailer	6/17/2025	competetive bid	\$ 14,700.00	\$ 14,700.00	
Quentin Call	Godwin 14' Steel Dump Body	6/17/2025	competetive bid	\$ 10,100.00	\$ 10,100.00	
Allen Auto	2016 Dodge Ram 2500 Crew Cab	6/17/2025	competetive bid	\$ 5,700.00	\$ 5,700.00	
Gary Spotswood Spotswood Logging	New Holland 555E Backhoe Loader	6/17/2025	competetive bid	\$ 16,200.00	\$ 16,200.00	

DISPOSAL TOTALS

394,500

372,500





**Date:** October 14, 2025

**To:** GOVERNANCE COMMITTEE

**From:** PRESIDENT & CHIEF EXECUTIVE OFFICER

**Subject:** Approval of Guidelines for Procurement Contracts

**SUMMARY**

This memorandum is to request that the Governance Committee review and recommend for approval by the New York Power Authority Board of Trustees and the Canal Corporation Board of Directors at their next meeting the changes to the New York Power Authority ("Authority's") and Canal Corporation ("Canal") Guidelines for Procurement Contracts ("Guidelines") (Exhibit "A-1" and "A-2").

**BACKGROUND**

Section 2879 of the Public Authorities Law ("PAL") governs the administration and award of procurement contracts equal to or greater than \$5,000. Section 2879 of the PAL requires public authorities to adopt comprehensive guidelines detailing their operative policy and instructions concerning the use, awarding, monitoring, and reporting of procurement contracts. The Authority's Guidelines were adopted by the Trustees at their meeting of October 31, 1989 and were implemented as of January 1, 1990. The Guidelines have been amended as deemed advisable and necessary, and reviewed and approved annually by the Board since that date, most recently on March 25, 2025.

Section 2879 of the PAL also requires authorities to review and approve such guidelines annually and to file a report regarding procurement contracts with the Director of the Division of the Budget, the Department of Audit and Control, the Department of Economic Development, the Senate Finance Committee, the Assembly Ways and Means Committee and the Authorities Budget Office. The Annual Report must include a copy of the Authority's current Guidelines, details concerning any changes to the Guidelines during the year and particular information concerning procurement contracts. For each procurement contract included in the report, the following information must be identified:

*[A] listing of all procurement contracts entered into [by the Authority], all contracts entered into with New York State business enterprises and the subject matter and value thereof, all contracts entered into with certified minority or women-owned business enterprises and the subject matter and value thereof, all referrals made and all penalties imposed pursuant to section three hundred sixteen of the executive law, all contracts entered into with foreign business enterprises, and the subject matter and value thereof, the selection process used to select such contractors, all procurement contracts which were exempt from the publication requirements of article four-C of the economic development law, the basis for any such exemption and the status of existing procurement contracts.*

Lastly, § 2879 of the PAL requires an annual review by the Trustees of open service contracts exceeding one year, which are also included in the Annual Report.

## DISCUSSION

These Guidelines are amended in accordance with certain provisions of State Finance Law §§ 139-j and 139-k, New York Public Officers Law § 73(8)

The Guidelines generally describe the Authority's process for soliciting proposals and awarding contracts. Topics detailed in the Guidelines include solicitation requirements, evaluation criteria, contract award process, contract provisions, change orders, Minority and Women-owned Business Enterprise ("MWBE") requirements, employment of former officers and reporting requirements.

## FISCAL INFORMATION

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

## RECOMMENDATION

The Governance Committee is requested to review the respective Authority's and Canals Guidelines for Procurement Contracts Exhibits "A-1" through "A-2" and, if appropriate, to recommend adoption by the Authority Trustees and the Canal Corporation Board of Directors at the meeting to be held on December 9, 2025.

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

Justin E. Driscoll  
President and Chief Executive Officer

## **RESOLUTION**

RESOLVED, that pursuant to Section 2879 of the Public Authorities Law and the Authority's and Canal's Procurement Guidelines, the Governance Committee approves and recommends for adoption by the New York Power Authority Trustees and the Canal Corporation Board of Directors, the Annual Report of Procurement Contracts, and the Guidelines for the use, awarding, monitoring and reporting of Procurement Contracts, as amended, be, and hereby are, approved; and be it further

RESOLVED, that the open service contracts exceeding one year be, and hereby are, reviewed and approved; and be it further

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

Exhibit A-1

October 14, 2025

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Company Policy Title:

Policy Number:

CP 3-1



## NYPA GUIDELINES FOR PROCUREMENT CONTRACTS

Revision Date (For IBC Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
<u>10/14/2025</u>	<u>9</u>	<u>Updated definitions; Clarifications to MWBE, SDVOB limits due to change in statute; deletion of Section 5K</u>	<u>2F, 2K, 2T, 3D, 3J, 3M, 4B, 5K</u>	Liz Carl, Sr. Dir. Procurement Gov & Analytics COE
10/16/2024	8	Updated definitions; Clarifications to MWBE, SDVOB, SBE language throughout document; New title heading for Section 4; Removal of Section 5 "Recommendation for Award".	2, 3, 4, 6, 7, 9	Liz Carl, Sr. Dir. Procurement Gov & Analytics COE
10/17/2023	7	Title change for SSM Department Head; Clarifications to Sections 7 and 8, Change Orders	7, 8	Liz Carl, Sr. Dir. Procurement Gov & Analytics COE
3/22/2023	6	Annual updates proposed for clarity, ease of use and include minor changes to reflect current regulatory and statutory changes.	Sections misc.	Liz Carl, Sr. Dir. Procurement Gov & Analytics COE
3/29/2022	5	Annual updates proposed for clarity, ease of use and include minor changes to reflect current regulatory and statutory changes.	Sections misc.	Liz Carl, Sr. Dir. Procurement Gov & Analytics COE
3/30/2021	4	Annual updates include definitions for Purchase Order Release, Value Contract and Design-Build; award of contracts updates on purchase order releases; carve out for Design-Build contract provisions on solicitation for future phases of work	Sections 2C, 2L, 2T, 6F, 7(3)	Liz Carl, Sr. Dir. Procurement Gov & Analytics COE
12/09/2020	3	Annual updates include definition of Non-Procurement; solicitation requirements for services and third party; award of contracts updates on personal services and construction value contracts; contract provisions on Appendix P	Sections 2,3,6,7	Liz Carl, Sr. Dir. Procurement Gov & Analytics COE

Printed copies are not controlled.

For the latest revision of this document, refer to the Policy and Procedure PowerNet Site.

Records will be retained in accordance with NYPA's approved records retention schedules and/or in compliance with all applicable legal requirements pertaining to NYPA.

4/6/2020	2	Annual updates include definition of Software; statutory updates for procurement announcements and the dollar cap for MWBE discretionary spend	Sections 2, 3, 6	Diane Gil, Sr. Director, Procurement Governance & Analytics Center of Excellence
3/26/2019	1	Per PAL §2879, the Guidelines were adopted by resolution and are reviewed annually and approved (by the Trustees). Updates proposed for clarity, ease of use and include minor changes to reflect current regulatory and statutory changes.	Sections 1,2,3,4,6,7, 10 and 13	Diane Gil, Sr. Director, Procurement Governance & Analytics Center of Excellence
3/27/2018	0	Converting approved 2018 NYPA Guidelines for Procurement Contracts ("Guidelines") to e-Scribe format. Per PAL §2879, the Guidelines were adopted by resolution and are reviewed annually and approved (by the Trustees).	N/A	Diane Gil, Sr. Director, Procurement Governance & Analytics Center of Excellence

## **NYPA GUIDELINES FOR PROCUREMENT CONTRACTS**

### **1. PURPOSE**

These Guidelines are adopted pursuant to the provisions of the Act (as defined below) and Section 2879 of the Public Authorities Law, as amended. The provisions of Article 4-C of the Economic Development Law, §§ 2879 and 2879-a of the Public Authorities Law, Articles 15-A of the Executive Law, Veteran Services Law Article 3, and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these Guidelines. These Guidelines are designed to ensure the responsible and prudent use of the resources of the Authority; to guard against favoritism, extravagance, fraud and corruption; and, to facilitate the efficient and timely acquisition of goods and services for the Authority. To help ensure that the purposes of these Guidelines are met and that there is compliance with applicable law and procedures governing procurements by the Authority, each operating division within the Authority shall engage Strategic Supply Management in all purchases of goods and services by the Authority.

### **2. DEFINITIONS**

- A. "Act" shall mean the Power Authority Act.
- B. "Capital projects" generally refer to the acquisition or construction of new assets, the replacement and/or betterment of existing assets, equipment, or property (including those of NYPA's customers, where authorized). Betterment refers to an extension of the useful life or improvement in the efficiency and/or capacity of the asset, equipment, or property.
- C. "Construction Contracts" are Procurement Contracts that employ craft labor and other services utilizing laborers and/or mechanics not otherwise considered Non-Personal Services for the construction, reconstruction, alteration, maintenance, moving or demolition of any building, structure or improvement, or relating to the excavation of or other development or improvement to the land.
- D. "Contact" is any oral, written, or electronic communication with the Authority under circumstances where a reasonable person would infer that the communication was intended to influence the Authority's conduct or decision regarding the procurement.
- E. "Design-Build" is a method of project delivery where there is one entity, one contract, one unified flow of work from initial concept through completion. Design-Build is also referred to as Engineer, Procure, Construct (EPC) in some instances.
- F. "Discretionary Purchase" is a procurement made below statutorily established monetary threshold amounts for the purchase of commodities and/or services from NYS Small Business Enterprises or NYS-certified Minority- and Women-owned Business Enterprises (MWBE) firms, and/or NYS-certified Service-Disabled Veteran Owned Business (SDVOB) firms, and at the discretion of the Authority.

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- G. "Disadvantaged Business Enterprise" (DBE) is a for-profit small business concern (1) that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it, as that term is defined in 49 C.F.R Part 26.
- H. "Goods" include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as Goods, where a majority of the total projected contract value will be for the purchase of equipment, material or supplies.
- I. "Minority- and Women-owned Business Enterprise" (MWBE) is defined as a small business certified under Article 15-A of the Executive Law that is independently owned, operated and authorized to do business in New York State; and is owned and controlled by at least fifty-one percent women or minority group members who are citizens of the United State or permanent resident aliens; and whose personal net worth does not exceed fifteen million dollars or such other amount as set forth in the regulations. Such ownership must be real, substantial and continuing; and the minorities or women must have and exercise the authority to control independently the day-to-day business operations and decisions of the enterprise.<sup>1</sup>
- J. "Non-Personal Services Contracts" are Procurement Contracts for all other services that do not involve professional skill, knowledge or expertise and/or performance may be substituted by another individual or entity. By way of example, Non-Personal Services include, but are not limited to, managed services that support information technology functions (inclusive of subscription services), maintenance, minor structural repairs, printing services, marine patrol and skilled or unskilled temporary personnel, including clerical office staff, technicians, or engineers working under Authority's supervision.
- K. "Non-Procurement Contracts" include: (i) contracts for goods and services under \$5,000; (ii) contracts for energy with or without environmental attributes included, capacity, renewable energy certificates, ancillary services, transmission, distribution or related services in support of providing service to Authority customers; (iii) contracts for differences; (iv) contracts for the issuance of commercial paper or bonded indebtedness including, but not limited to: bond purchase agreements, standby bond purchase agreements, letters of credit, firm remarketing agreements, forward purchase agreements, revolving credit agreements and other similar liquidity facility agreements, broker-dealer agreements, remarketing agent agreements, auction agent agreements, interest rate swaps and other similar hedging agreements, provided, however, that this shall not include: (a) contracts with the State for providing for the payment of debt service subject to an appropriation; (b) professional or banking services agreements such as bond counsel, financial advisor and trustee agreements; and (c) custodial service agreements; (v) certain insurance and healthcare products that do not readily lend themselves to a competitive solicitation; (vi) direct and indirect placement of advertisements;

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<sup>1</sup> Executive Law § 310(7); 5 NYCRR § 140.1(bb).

(vii) the purchase of periodicals, referential data subscriptions, reference materials or professional research tools; (viii) fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, or the engagement of guest speakers; (ix) funding agreements, co-funding agreements, or grants and (x) memberships in various industry groups, professional societies or similar cooperative associations, or any cooperative projects and procurement activities conducted or sponsored by such organizations in which the Authority participates.

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- L. "Operation and Maintenance" (O&M) generally refers to the work or services necessary to keep the plants, transmission lines, and other equipment and facilities to include NYPA customers, where authorized, (collectively referred to generally as an "asset") in optimal operating condition and/or to restore an asset to its productive capacity. This includes the cost of inspecting, testing, analyzing and reporting on the condition of the asset required to determine repairs or replacement, as well as costs associated with the normal operation and administration of NYPA's production/transmission facilities and energy programs.
- M. "Personal Services Contracts" are Procurement Contracts to provide either (i) a service by a named individual that involves a particular skill, cultivated judgment and the exercise of discretion, such that performance by a substituted individual would be unacceptable; or (ii) a professional service requiring professional skill, knowledge or expertise of a consulting, professional or technical nature in occupations that may require an advanced degree or specific licensure, certification or specialized training, for a fee, commission or other compensation, by a person or persons who are not providing such services as officers or employees of a state agency or public corporation. By way of example, such professional services include but are not limited to the areas of accounting, architectural, engineering, surveying, financial advisory, investment banking, legal, public relations, marketing, planning, management, consulting, surveying, training (when specifically developed by a consultant for the Authority), IT or cyber consulting, IT development and construction management.
- N. "Procurement Contracts" are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Authority's offices, facilities, operations and maintenance (O&M) and capital projects (as defined in Section 2 of the Guidelines), including but not limited to goods such as office supplies, major electrical equipment, construction and maintenance work and services.
- O. "Purchase Order Release" is a single order issued for goods or services in accordance with the terms and conditions of a Value Contract.
- P. "Relative" is any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee's grandparents or the spouse of such descendant, as referred to in Subsection 8.E of these Guidelines. The term Relative may include, but is not limited to, the relationship of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister,

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stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

- Q. "SDVOB Set-Aside" are procurements identified at the discretion of the Authority to exclusively set-aside for the participation of NYS-certified SDVOBs, and are subject to the applicable laws, rules, and procedures governing procurements.
- R. "Selection Process," as further outlined in Section 4 below, includes as evaluating factors the Authority's consideration of a bidder's skill, judgment, and business integrity.
- S. "Service-Disabled Veteran-Owned Business" (SDVOB) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation, certified under Article 3 of the Veterans' Services Law that is at least fifty-one percent owned by one or more service-disabled veterans; an enterprise in which such service-disabled veteran ownership is real, substantial and continuing; an enterprise in which such service-disabled veteran ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; an enterprise authorized to do business in the State; and is independently owned and operated; an enterprise that is a small business which has a significant business presence in the State, not dominate in its field and employs less than 300 and is certified by the Office of General Services.<sup>2</sup>
- T. "Single-Source" is a procurement in which although two or more offerers can supply the required goods or services, the Authority, upon written findings setting forth the material and substantial reasons therefore, may award a contract or amendment to a contract to one offerer over the other.
- U. "Small Business" (or Small Business Enterprise, SBE), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- V. "Software" includes on-premise applications as well as Software-as-a-Service (SaaS) which is defined as a software distribution model in which a third-party provider hosts the application. "Software" shall be considered "Equipment" where such term is used throughout these Guidelines. Furthermore, the implementation services related to the initial installation of any software can also be considered equipment under that contract provided such installation does not exceed one year.
- W. "Sole Source" is a procurement in which only one offeror is capable of supplying the required goods or services.
- X. "SSM Department Head" – The Senior Vice President of Strategic Supply Management currently serves as the SSM Department Head.

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<sup>2</sup> Veterans's Services Law § 40(1); 9 NYCRR § 252.1(e).

- Y. “Value Contract” master service agreement for goods and services with specific target value and term.

### 3. SOLICITATION REQUIREMENTS

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the Strategic Supply Management (“SSM”) Department and the initiating department. Except as otherwise authorized by these Guidelines, a Request for Proposals or Request for Quotations will be made available to a minimum of three providers and/or firms (if available) commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance.
- B. Prospective bidders on Procurement Contracts may be prequalified by invitation advertised in the same manner as a Request for Proposals but referred to as a Request for Qualifications. In such cases, proposals are requested only from those provider(s) and/or firm(s) whose prequalification submittals demonstrate sufficient ability and competence (including, but not limited to, the bidder’s skill, judgment and business integrity) to supply the particular goods and/or perform the particular services required.
- C. The Authority may withdraw any pending solicitation at any time, for cause or no cause. Any person or entity submitting any responsive document to the Authority does so at its own cost or expense and will not be reimbursed by the Authority for the preparation of any responsive document, unless otherwise agreed to in writing and signed by an authorized Authority representative.
- D. In order to promote the use of Minority- and Women-owned Business Enterprises (“MWBEs”), Service-Disabled Veteran-Owned Businesses (“SDVOBs”) and Small Business Enterprises (“SBEs”), the Authority will solicit offers from such firms known to have experience in the type of goods and/or services to be provided, regardless of the type of contract. For the purpose of these Guidelines, the definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.

In furtherance of this commitment to encourage greater MWBE, SDVOB, SBE participation, the Authority, at its own discretion, may utilize its discretionary purchasing authority to target specific [or limit the responses to certain] procurements for goods and services (not including construction or construction-related services) under the established monetary threshold from MWBEs, SDVOBs, and/or SBEs. For the purpose of determining whether a purchase is within the discretionary monetary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made from the same supplier within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than statutorily established monetary threshold amounts as provided for in Public Authorities Law § 2879(3)(b)(i).

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E. It is the policy of New York State to promote the participation of New York State Business Enterprises and New York State residents in Procurement Contracts. The Authority will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:

1. “New York State Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Authority that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Authority that are substantially performed within New York State as further described in Public Authorities Law § 2879. For purposes of construction services, a New York State Business Enterprise shall mean a business enterprise, including a sole proprietorship, partnership, or corporation, which has its principal place of business in New York state.
2. “New York State resident” is a person who maintains a fixed, permanent, and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, which offers for sale, lease or other form of exchange, goods sought by the Authority that are substantially produced outside New York State, or services other than construction services, sought by the Authority that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.
4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.
5. Pursuant to Public Authorities Law § 2879, the Authority shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the Authority’s Chief Executive Officer if the Chief Executive Officer determines in writing that it is in the best interests of the Authority to do so, as further set forth in the above-referenced law.

**Deleted:** To encourage meaningful participation of MWBEs, SDVOBs and SBEs, a single proposal may be sought, negotiated and accepted for purchases of goods and/or services from a NYS-certified MWBE, SDVOB or an SBE that offers a fair and reasonable price for such goods and/or services. The award of such single source contract requires the written approval of the SSM Department Head; and will be noticed as a single source award on the Contract Reporter website, as further set forth in Section 3.J.¶

6. Pursuant to Public Authorities Law § 2879, the Authority will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.

- F. Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (OGS)) or Federal government (e.g., General Services Administration (GSA)) or any city or municipality where the SSM Department and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Authority and have approved the specifications and proposed terms and conditions of such contract.

Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a “mini bid” (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts.

- G. Procurement Contracts issued by the Authority may also utilize a mini bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Authority’s bid requirements. Such mini bids shall be conducted by the Authority’s SSM staff (or on behalf of the Authority by a contracted service provider) where applicable and practicable. Within a said multiple award group, work may be assigned to a specific firm without conducting a mini bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Authority’s needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini bid shall be made jointly by SSM and the initiating departments and shall be documented for the Procurement Record.
- H. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; evaluation criteria (as defined in Section 4); milestone dates; the Authority’s Supplier Diversity program requirements, if applicable; all other applicable Authority requirements and any special methods or limitations that the Authority chooses to govern the work.

- I. Telephone solicitation, for procurements valued at less than \$50,000, may be used where time constraints do not permit issuance of a Request for Proposals, where issuance of a Request for Proposals is otherwise impracticable or for goods that are catalog items or do not require a detailed bill of materials or specification. All telephone solicitations made by SSM shall be documented and made part of the Procurement Record. For all Procurement Contracts, including Discretionary Purchases, with a value equal to or greater than \$50,000 (except for those contracts noted below), the Authority will, prior to soliciting proposals, submit all required information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, ([www.nyscr.ny.gov](http://www.nyscr.ny.gov)). Such

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information will be submitted to the DED Commissioner in accordance with the schedule set forth by the DED. The due date for bids or proposals will be a minimum of 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposals process, the Authority will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on the *Contract Reporter* website. For all other Procurement Contracts, the name of the awardee will be submitted.

This section 3.J does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.O, (ii) Procurement Contracts being rebid or re-solicited for substantially the same goods and/or services, within 45 business days after the original due date, and/or (iii) Procurement Contracts awarded to not-for-profit human services providers. (See Article 4-C, Economic Development Law)

Notwithstanding the foregoing, submittal of a notice of award for inclusion on the *Contract Reporter* website is required for Procurement Contracts with a value of \$50,000 or more awarded on a sole source or single source basis. Such notice shall specify the name of the awardee.

- K In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of value and advertised as such on the *Contract Reporter* website as a SDVOB Set-Aside.
- L. Proposals for certain services not resulting in Procurement Contracts may also be solicited by the SSM Department to gather information from potential sources, that will include a description of the offeror/firm's qualifications, résumés of key personnel, past experience and proposed billing rates. SSM's effort is concluded when SSM furnishes the information solicited to the initiating department for their use.
- M. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
  2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
  3. An item is needed for trial use or testing.
  4. A proprietary item is sought for which there is only one source.

**Deleted:** , including such discretionary contracts not exceeding \$500,000 awarded to Small Business Enterprises or NYS-certified MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, for discretionary awards on a single or sole source basis to SDVOB's, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for Procurement Contract bidding opportunities, in accordance with the afore-referenced law. ...

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5. Other circumstances or work requirements exist that cause only one source to be available or uniquely qualified to supply the required goods and/or services.
6. Services are required on a more expedited basis than the competitive procurement process will allow. Requesting business units must demonstrate the urgency of the project and that awardee is cost-effective and qualified in the subject area. Services shall be for specific scopes of work in an amount not exceeding \$500,000 and are subject to the approvals stated in Section 3.D.
7. An award made to NYS SBEs, up to the discretionary purchasing buying threshold, that is in the best interest of the Authority in furtherance of the State of New York and Authority's Supplier Diversity economic program goals and upon approval by the SSM Department Head.

**Deleted:** NYS-certified MWBEs, SDVOBs and

N Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations (2 NYCRR Part 206) and the State Authority Contract Manual, the Authority may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.

O Subject to the Authority's Expenditure Authorization Procedures (EAPs), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:

1. A threat to the health or safety of the public or Authority employees or workers arising out of (i) an accident; or (ii) other unforeseen occurrence or condition immediately affecting the property or other interest of the Authority.
2. Proper functioning of the Authority facilities or construction or operating projects, or other projects implemented by the Authority, requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.

P Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the compelling reasons therefor to the SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the SSM Department Head.

- Q In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the SSM Department Head or authorized designee.
- R It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Authority will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following shall apply:
- The “Restricted Period” is the period of time commencing with the earliest posting, on the Authority’s website, in a newspaper of general circulation, or in the Procurement Opportunities Newsletter (i.e., New York State *Contract Reporter*) in accordance with Article 4-C of the Economic Development Law of written notice, advertisement or solicitation of a request for proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from offerors intending to result in a Procurement Contract with the Authority and ending with the final contract award and approval by the Authority and, where applicable, the State Comptroller. The “Restricted Period” also applies to a “mini bid” process that may be utilized in certain established OGS, GSA or Authority multiple award contracts, as provided in Section 3.F and 3.G.
- The Authority shall designate a person or persons who may be contacted, with respect to each Authority procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Authority’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period. Any contacts received by persons other than those designated by the Authority shall make a contemporaneous record of such contact and report it to the designee(s).
- S In furtherance of the Authority’s commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Authority who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987 and as further set forth in the Authority’s Company Policy, Lobbying Contacts CP 9-2, regarding this matter.

T Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Authority to record in a database maintained by the New York State Office of General Services certain appearances between the Authority and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal "Restricted Period." Covered individuals at the Authority means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Authority means both "external" (e.g., a lobbyist) and "internal" (e.g., sales representative) representatives of an entity, individuals appearing on behalf of themselves, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be promptly reported to the Authority's Ethics and Compliance Office for recording in the Project Sunlight database.

U Prior to entering into any binding commitment with a third party (e.g., written agreement or memorandum of understanding (MOU)) in pursuit of any joint or collaborative development project, the office of SSM and the Law Department (Law) must be notified regarding the procurement and on the issue of whether and to what extent the projects falls within the constraints of the Authority's procurement regulations and enabling legislation. SSM and Law should be brought into any such project during the development phase.

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

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



Prior to execution any underlying agreement (i.e. joint development agreement, MOU, etc.) an internal award recommendation must be memorialized and approved by the SSM Department Head, the Executive Vice President and Chief Financial Officer (or their designee) and the responsible Business Unit head.

#### **4. SELECTION PROCESS**

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder's skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.

In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be reviewed by the SSM Department and the appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the bidder(s) to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific procurement (e.g.: capital construction project) or specific circumstances (e.g.: outage at an operating facility), the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.

- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Authority's work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to comply with Supplier Diversity participation goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

Other factors that may be considered in evaluating proposals may involve an assessment of the bidder's diversity practices (Exec Law § 313-a), participation in the Authority's Mentor-Protégé Program (SFL § 9(147) for MWBEs, or Quantitative Factoring NYCRR 142.14) for MWBEs, SDVOBs and SBEs, where applicable.

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**Deleted:** Pursuant to Article 15-A of the Executive Law, diversity practices are the contractor's practices and policies with respect to utilizing NYS-certified MWBEs in contracts as subcontractors and suppliers, and entering into partnerships, joint ventures or other similar arrangements with NYS-certified MWBEs. A contractor's diversity practices may be assessed when: (1) a procurement is awarded based on the best value basis described in Section 4.F. (but *not* when a procurement is awarded based upon lowest price); (2) the anticipated award is \$250,000 or greater; and (3) such assessment is practicable, feasible and appropriate.

- C. For Personal Services Contracts, Non-Personal Services Contracts, and Construction Contracts (as defined in Section 2 of these Guidelines), the technical merits of the proposals and the experience and capabilities of the bidders will be the primary factors in determining the individual or firm to be awarded the contract, provided that the price for performing such work is reasonable and competitive.
- D. For Procurement Contracts for Goods (as defined in Section 2.H of these Guidelines), the award should generally be made to the lowest-priced firm submitting a proposal that meets the commercial and technical requirements of the bid documents. (See also Section 4.F regarding award to "other than low bidder".)
- E. Pursuant to § 139-k of the State Finance Law, the Authority shall not award a Procurement Contract to an offeror who fails to provide timely, accurate and complete responses to inquiries about past determinations of non-responsibility (unless awarding the contract is necessary to protect public property or public health or safety and the offeror is the only source capable of supplying the required article of procurement within the necessary timeframe.)  
  
A bidder's/contractor's knowing and willful violation of the Authority's policy providing for certain procurement disclosures shall result in a determination of non-responsibility of such offeror pursuant to State Finance Law §§ 139-j and 139-k only.  
  
More than one determination of non-responsibility due to violations of State Finance Law § 139-k in a four-year period shall render an offeror ineligible to submit bids for four years from the second determination of non-responsibility.
- F. The Authority may award on a best value basis for awarding contracts to the offeror that optimizes quality, cost and efficiency, among all qualified bidders. The Authority may award to other than low bidder or best value only with the approval of appropriate management as stipulated in the EAPs and should be based on such a proposal providing a clear advantage to the Authority over the lower-priced proposal. Such basis shall reflect, wherever possible, objective and quantifiable analysis and may also identify a quantitative factor for offerors that are Small Businesses or NYS-certified SDVOB or MWBE firms. Other factors may include but are not limited to: improved delivery schedules that will reduce outages; longer warranty periods; improved efficiency over the usable life of the equipment; reduced maintenance costs; the bidders' financial resources or the ability to meet or exceed Supplier Diversity goals; and overall, the bidder's skill, judgment and business integrity.
- G. The specifications set forth in any solicitation prepared under these Guidelines were based upon information available at the time of the preparation of the solicitation.

Thus, the Authority may diverge from the specifications of any solicitation if, after review of the proposals responsive to such solicitation, the Authority deems it prudent considering its experience, the circumstances of the solicitation and/or potential cost savings.

**5. AWARD OF CONTRACT**

- A. Procurement Contracts must be approved in writing by the appropriate management as set forth in the EAPs. Trustee approval at the next Trustees' meeting is required as detailed in this Section 5.
- B. If the proposed term of a Personal Services contract will exceed five (5) years, including any extensions authorized in the contract, the SSM Department Head must first approve the Business Unit's written justification for the term exceeding 5 years prior to the issuing of the contract.
- C. The SSM Department prepares the contract for execution by the Authority and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that a signed letter of intent or a notice to proceed may initiate work prior to formal execution. Authority signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- D. Pursuant to Economic Development Law § 143, the Authority shall submit an announcement of the intended contract for inclusion in the procurement opportunities newsletter at the time it enters into a contract. Such announcement shall identify the contract, specify the date of the award of the contract and provide the name of and contact information for each recipient of the contract.
- E. Pursuant to Public Authorities Law § 2879, the Authority shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder thereof. The Authority shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at the Foreign Business Enterprise or acting on behalf of same who is principally responsible for the proposed Procurement Contract.
- F. Prior to award, contracts meeting the following criteria must be approved by the Trustees:
  - a. The value of a contract (or the aggregate amount for multiple awards) meets or exceeds the minimum value requiring Trustee approval as set forth in the EAPs;

- b. A Services Contract (which include contracts for Construction, Personal and Non-personal services, as defined in Section 2 of these Guidelines) valued or estimated to be \$5,000 or greater that will be awarded for a period of more than 12 months;
  - c. Extending a contract for Services with an initial duration of less than 12 months beyond 12 months. When time constraints or emergency conditions require extending an existing contract with an initial duration of less than a year beyond a year, the Business Unit Head, with the prior concurrence of the SSM Department Head or equivalent(s) or designee, may authorize in writing extending such contract, subject to the Trustees ratifying such action as soon as practicable; or
  - d. Extending a previously approved contract for services beyond the allowable “grace period” as further described in Section 5G.
- G. Extending a Services Contract, previously approved by the Trustees, for 12 months or less (“grace period”) requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the SSM Department Head.
- H. The Business Unit head, with the prior concurrence of the SSM Department Head, may authorize, in writing, the commencement of services or the purchase of goods prior to obtaining the required Trustee approval under the following limited circumstances:
  - a. When the total estimated contract value or the value of the extension exceeds the monetary limits set forth in the EAPs and immediate work is required.
  - b. When time constraints or emergency conditions require immediate commencement of services to be performed for a period of more than one year.

The initial compensation limitation may not exceed the authorization level for the Business Unit head as set forth in the EAPs. Such contracts will be subject to the Trustees’ approval, which will be solicited at their next scheduled Trustee meeting.

- I. For Personal Services Contracts, Non-Personal Service Contracts, and Construction Contracts valued or estimated to be \$5,000 or greater to be performed for a period of more than 12 months that must be awarded prior to the next Trustees’ meeting, the initial contract will be issued for the entire intended term of the contract. Based on its total term and value, such contract must be approved in writing by the appropriate management as set forth in the EAPs and the Business Unit head. Such contract is subject to the Trustees’ approval, at the next Trustees’ meeting. If such approval is not granted, the contract will be terminated immediately.
- J. A Personal Services Contract, Non-Personal Service Contract, and Construction Contract or contract task valued or estimated to be \$5,000 or greater is deemed to be for services in excess of 12 months where the contract does not specify a definite term and the work

will not be completed within 12 months, and any “continuing services” contract with no fixed term that provides for the periodic assignment of specific tasks or particular requests for services. This includes Trustee-approved contracts for architect/ engineering services with the original engineers of operating facilities, as well as the original supplier of steam supply systems or boilers and turbine generating equipment. Each task authorized under such contracts (which may be referred to as a “Change Order,” “Purchase Order” or “Task Number”) is considered a separate commitment and must be separately approved in accordance with the EAPs.

## 6 CONTRACT PROVISIONS

- A. Standard forms of boilerplate contracts are available including but not limited to the following more common forms: purchase orders; furnish-and-deliver format; consulting services agreements and maintenance agreement formats; contract work orders; construction contracts and furnish, deliver and install contracts. These contract forms are intended to govern the routine purchase of goods and/or performance of services.

Authority departments proposing to initiate a Procurement Contract should review these forms to suggest any modifications and additions that may be required for the particular goods and/or services. Under no circumstances should contract forms be shown to proposed bidders without the prior approval of the SSM Department, which is solely responsible for requesting proposals.

- B. The following types of provisions setting forth contractor responsibilities are to be contained in the standard forms of Procurement Contracts, except that any provisions listed below that are inapplicable or unnecessary because of the nature or duration of the work to be performed, the location(s) where the work is to be performed or the type of compensation being paid therefore, need not be included. Other provisions may be added as necessary and appropriate.

1. Schedule of Services or Specifications
2. Time of Completion
3. Compensation or Itemized Proposals
4. Relationship of Parties
5. Delays
6. Termination
7. Changes in the Work
8. Claims and Disputes
9. Warranty
10. Insurance
11. Records, Accounts, Inspection and Audit
12. Assignment
13. Notices
14. Indemnification
15. Governing Law

**Deleted:** <#>For work performed by service providers at customer sites pursuant to a Value Contract, Purchase Order Releases may extend beyond the term of the Value Contract with the written approval of the SSM Department Head provided that the Purchase Order Release is issued prior to the expiration of the Value Contract; and provided further that the Value Contract allows for the extended term of the Purchase Order Release. The term of the Purchase Order Release shall be only as required to complete the work committed to the customer and the extension of the Value Contract is solely for the completion of the work outlined in the Purchase Order Release and no new Purchase Order Releases shall be issued thereafter, however Purchase Order Releases for multiple projects may be extended in this manner.¶

16. Proprietary Nature of Work
17. Testimony
18. Supplier Diversity (MWBE/SDVOB/DBE/EEO) requirements
19. Entire Agreement

Contract Attachments

1. Compensation Schedule
  2. Schedule of Services or Specifications
  3. Appendix "A" (Miscellaneous Statutory Provisions)
  4. Appendix "B" (Prompt Payment Provisions)
  5. Appendix "C" (Supplier Diversity Provisions)
  6. Appendix "D" (Background Security Screening for Authority Contractors)
  7. Appendix "E" (Omnibus Procurement Act of 1992 Requirements)
  8. Appendix "F" (Computer Aided Design Requirements For New York Power Authority Drawings)
  9. Appendix "G" (Equal Employment Opportunities Requirements) - inactive
  10. Appendix "H" (Tax Law Requirements)
  11. Appendix "I" (New York Power Authority (NYPA) North American Electric Reliability Corporation Critical Infrastructure Protection (NERC CIP) Cyber Access And/or Unescorted Physical Access Training Requirements)
  12. Appendix "J" (Bidder/Contractor Compliance with State Finance Law §§ 139-j and 139-k Providing for Certain Procurement Disclosures) - inactive
  13. Appendix "K" (Additional State and Federal Provisions Required for American Recovery and Reinvestment Act (Pub. L. No. 111-5 Stat. 2009) ("ARRA") Funded Projects) - inactive
  14. Appendix "L" (DOE Federal Contract Provisions) - inactive
  15. Appendix "M" (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology ("BART") for Heavy Duty Vehicles)
  16. Appendix "N" (The New York State Iran Divestment Act of 2012 – Iranian Energy Sector Divestment) - inactive
  17. Appendix "O" (Encouraging Use of New York State Businesses in Contract Performance) – inactive
  18. Appendix "P" (Information Security Requirements for Vendors and External Partners)
  19. Omnibus Procurement Certification
- C. If a vendor (firm, person or other entity) participates in the development or writing of the specifications for a procurement solicitation, such vendor shall not be permitted to bid on such procurement, either as a prime vendor or as a subcontractor at any level. Contracts for evaluation of offers for products or services shall not be awarded to a vendor that would then evaluate its own offers for products or services.

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

The name(s) of any vendor(s) providing goods or services as outlined in this section C shall be disclosed during the bidding event.

The above restrictions shall not apply where:

1. The vendor is the sole source or single source of the product or service;
2. More than one vendor has been involved in preparing the specifications for a procurement proposal;
3. There is no qualified response to the solicitation for future phases of work, including implementation;
4. Construction projects using delivery models of Design-Build or Engineer, Procure Construct; or
5. The originating Authority Business Unit determines in writing that the restrictions are not in the best interests of the Authority. Such originating Business Unit shall obtain the approval of the applicable Business Unit Head or equivalent(s), SSM Department Head or equivalent(s) or designee, Assistant General Counsel or equivalent(s) and President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) to waive this restriction on a case-by-case basis.

## **7. CHANGE ORDERS**

- A. Change Orders to existing contracts are justified in circumstances such as the following
  1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope.
  2. To exercise options previously included in the original contract to perform additional work or to extend the contract term.
  3. To accommodate emergency conditions, defined in Section 3.0 herein, that require the immediate performance of work by a firm already under contract.
  4. When rebidding would not be practical or in the best interests of the Authority's customers.
- B. Change Order requests for an increase to the value of a Purchase Order, Value Contract or Purchase Order Release must be approved in accordance with the Authority's EAPs.
- C. Change Order requests to extend the term of a services contract, inclusive of Personal Services, Non-Personal Services and Construction contracts, from a term of less than one year to more than one year must be approved by the Board of Trustees prior to the execution of the Change Order.

- D. The Authority will not execute a Change Order and will engage in a competitive bidding process when a proposed change order would result in a contract value (or aggregate) exceeding the thresholds set forth below:
- a. For contracts with an original approved amount (or latest Trustee approved amount) of less than \$100,000:
    - i. \$25K more than the original authorized amount (or latest trustee approved amount)
  - b. For contracts with an original approved amount (or latest Trustee approved amount) of \$100,000 or greater:
    - i. \$500K more than the original authorized amount (or latest trustee approved amount) for Personal Services contracts
    - OR -
    - ii. \$6M more than the original authorized amount (or latest trustee approved amount) for all contracts that are not Personal Services contracts
    - OR -
    - iii. 125% of the original authorized amount of the contract (or latest trustee approved amount).
  - c. Should a competitive bidding process not be feasible:
    - i. A memo must be presented to and signed by the SSM Department head explaining why rebidding pursuant to a competitive solicitation process is not feasible. The memo must be signed by the proposing business unit representative following the appropriate column of the EAPs for the proposed new value of the contract(s).
    - ii. The SSM Department Head has the right to reject the proposed change order to the contract and direct rebidding pursuant to a competitive solicitation process. The SSM Department Head has the right to accept the change order and may direct the end user to advise the Trustees of the resultant increase at the next Trustee meeting.
    - iii. For contracts with an original approved amount (or latest approved trustee amount) of greater than \$100,000, if the change order proposed meets criteria (b.iii) above and meets either (b.i) or (b.ii), the change order must be presented to the Board of Trustees.
    - iv. When the change order has been presented and accepted by the Trustees, the latest Trustee approved amount will become the new contract value.



- E. All Change Orders should include a defined scope of work and all impacts to price and schedule.
- F. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Authority may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a competitive procurement, but the modification was neither contemplated nor provided for in the solicitation for such competitive procurement.

**8. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES**

- A. Former Authority officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Commission on Ethics and Lobbying in Government that such engagement is permissible; and upon approval of the President and Chief Executive Officer, as well as the Chairman of the Board of Trustees.
- B. Pursuant to the provisions of New York Public Officers Law § 73(8):
  - 1. No Authority officer or employee is eligible, within a period of two years after the termination of Authority service to appear or practice before the Authority or receive compensation for any services rendered on behalf of any person, firm, corporation or association, in relation to any case, proceeding or application or other matter before the Authority.
  - 2. No Authority officer or employee is eligible, at any time after the termination of Authority service, to appear, practice, communicate or otherwise render services before the Authority or any other state agency or receive compensation for any such services rendered on behalf of any person, firm, corporation or other entity in relation to any case, proceeding, application or transaction that such person was directly concerned with and personally participated in during their period of service, or which was under their active consideration.
  - 3. Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Authority officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Authority, if, prior to engaging in such service, the Chairman of the Board of Trustees certifies in writing to the New York State Joint Commission on Public Ethics that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Authority's needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the

reasons for such certification. The New York State Commission on Ethics and Lobbying in Government must review and approve all such certifications.

- C. No Authority employee who is involved in the award of Authority grants or contracts may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official or candidate for elective office or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- D. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantees or contractor's: (a) refusal to answer any inquiry prohibited by Section 8.C above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- E. No Authority employee may take part in any contracting process or decision: (i) to a Relative; or (ii) to any entity in which the Authority employee or a Relative of such Authority employee owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section 8.E, then the employee must advise in writing their supervisor and the Office of Ethics and Compliance of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

For purposes of this Section 8.E, the term "Relative" is defined in Definitions, Section 2.P of these Guidelines.

## **9. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS**

### **A. MWBE and Equal Employment Opportunity (EEO)**

The Authority is committed to the inclusion and participation of MWBEs on Authority contracts. Article 15-A of the Executive Law established the Division of Minority and Women's Business Development ("DMWBD") that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. In addition, specific subcontracting goals for MWBEs may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Additionally, the Authority may use discretionary purchases to further advance this socio-economic goal.

### **B. Service-Disabled Veteran-Owned Business (SDVOB) Program Requirements**

The Authority is also committed to promote business opportunities for NYS-certified SDVOBs in Authority contracts. Veteran Services Law Article 3 established the Division of Service-Disabled Veteran-Owned Business Development that is responsible for developing rules and regulations for implementation, certifying SDVOBs and reviewing and monitoring NYPA's plans, compliance reports, and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. In addition, specific subcontracting goals for SDVOBs may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified SDVOB as required by law. Additionally, the Authority may use discretionary purchases and SDVOB Set-Asides to further advance this socio-economic goal.

C. Disadvantaged Business Enterprise (DBE) Program Requirements on Federally Funded Contracts

The Authority strives to foster the development of business opportunities for NYS certified DBEs and to further increase their participation in NYPA Federally funded contracts. The Authority aims to solicit proposals from DBEs for procurements that will be partially or fully federally funded. The Authority follows the DBE guidelines as set out by the Federal Department of Transportation ("DOT") to ensure that DBEs have an equal opportunity to compete, and provide goods and services to the Authority.

**10. PROCUREMENT RECORD AND REPORTING**

A. Procurement Record

The SSM Department maintains records of Procurement Contracts. In addition to bid and contract award-related documents for the goods provided and/or services performed, the Procurement Record includes, but is not limited to, documentation of the decisions made, and the approach taken in the procurement process. Such records are transmitted to the Digital Warehouse for electronic storage and retrieval. Under State Finance Law §§ 139-j and 139-k, the Procurement Record must also include:

- i. A statement describing the basis for a determination of a bidder's/contractor's non-responsibility (per State Finance Law §§ 139-j and 139-k only) and the Authority's decision not to award an offeror the Procurement Contract.
- ii. All forms entitled "Record of Contact".
- iii. A statement describing the basis for a termination of a Procurement Contract for providing an intentionally false certification must be included in the Procurement Record.

The Authority shall notify the New York State Office of General Services of bidders/contractors who have been determined to be non-responsible bidders or debarred due to violations of State Finance Law § 139-j.

B. Procurement Report

The SSM Department Head or equivalent(s) will prepare and submit an annual report to the Trustees for their approval that will include:

1. A copy of the Guidelines;
2. An explanation of the Guidelines and any amendments thereto since the last annual report;
3. A list of all Procurement Contracts entered into since the last annual report, including all contracts entered into with New York State Business Enterprises and the subject matter and value thereof and all contracts entered into with Foreign Business Enterprises and the subject matter and value thereof;
4. A description of work performed, the contract number, the date of the contract and its duration, the name, address and NYS-certified MWBE designation of the awardees, the total amount of the contract, the amount spent on the contract during the reporting period and for the term of the contract to date and the status of open Procurement Contracts during the report year;
5. The type of contract (equipment, services, personal services or construction);
6. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source);
7. The reasons why any procurements with a value equal to or greater than \$50,000 were not noticed in the Contract Reporter;
8. The number of bids received and
9. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.

C. Such annual report, as approved by the Trustees, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, and copies thereof shall be distributed to the New York State Department of Audit and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual procurement report is posted on the Authority's website and copies shall be made available to the public upon reasonable written request therefor.

D. The Authority may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the Public Authorities Accountability Act (PAAA) or other statutes regulating the procurement of goods and services, such as the New York State Authorities Budget Office through the Public Authorities Reporting Information System (PARIS).

E. The SSM Department Head or designee will also prepare Annual Goal Plans for the MWBE and SDVOB programs and will submit them by January 15 of each year to Empire State Development - Division of Minority and Women Business Development and the New York State Office of General Services - Division of Service-Disabled Veterans' Business Development, respectively. Quarterly Utilization / Activity Reports for each program will

also be prepared and submitted to the aforementioned respective state entities by the 15<sup>th</sup> day of July, October, January and April.

**11. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS**

- A. These Guidelines are intended for the guidance of officers and employees of the Authority only. Nothing contained herein is intended, nor should it be construed, to confer on any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
- B. Nothing contained in these Guidelines alters or affects the validity of, modifies the terms of or impairs any contract or agreement entered into in violation of these Guidelines.

**CANAL CORPORATION GUIDELINES FOR PROCUREMENT CONTRACTS**

**1. PURPOSE**

These Guidelines are adopted pursuant to the provisions of Section 2879 of the Public Authorities Law, as amended. The provisions of Article 4-C of the Economic Development Law, §§ 2879 and 2879-a of the Public Authorities Law, Articles 15-A of the Executive Law, Veterans Services Law Article 3, Article 4 of the Canal Law and §§ 139-j and 139-k of the State Finance Law were considered in developing these Guidelines. Departments and facilities may adopt further procedures to implement these Guidelines. These Guidelines are designed to ensure the responsible and prudent use of the resources of the Canal Corporation to guard against favoritism, extravagance, fraud and corruption; and, to facilitate the efficient and timely acquisition of goods and services for the Canal Corporation. To help ensure that the purposes of these Guidelines are met and that there is compliance with applicable law and procedures governing procurements by the Corporation, each operating division within the Corporation shall engage Strategic Supply Management in all purchases of goods and services by the Corporation.

**2. DEFINITIONS**

- A. “Capital projects” generally refer to the acquisition or construction of new assets, the replacement and/or betterment of existing assets, equipment, or property. Betterment refers to an extension of the useful life or improvement in the efficiency and/or capacity of the asset, equipment, or property.
- B. “Construction Contracts” are Procurement Contracts that employ craft labor and other services utilizing laborers and/or mechanics not otherwise considered Non-Personal Services for the construction, reconstruction, alteration, maintenance, moving or demolition of any building, structure or improvement, or relating to the excavation of or other development or improvement to the land.
- C. “Contact” is any oral, written, or electronic communication with the Canal Corporation under circumstances where a reasonable person would infer that the communication was intended to influence the Canal Corporation’s conduct or decision regarding the procurement.
- D. “Design-Build” is a method of project delivery where there is one entity, one contract, one unified flow of work from initial concept through completion. Design-Build is also referred to as Engineer, Procure, Construct (EPC) in some instances.
- E. “Discretionary Purchase” is a procurement made below statutorily established monetary threshold amounts for the purchase of commodities and/or services from NYS Small Business Enterprises or NYS-certified Minority- and Women-owned Business Enterprises (MWBE) firms, and/or NYS-certified Service Disabled Veteran Owned Business (SDVOB) firms as further, and at the discretion of the Canal Corporation.
- F. “Disadvantaged Business Enterprise” (DBE) is a for-profit small business concern (1) that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the

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stock is owned by one or more such individuals; and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it, as that term is defined in 49 C.F.R Part 26.

- G. "Goods" include equipment, material and supplies of any kind. Procurement Contracts that include both equipment and services may be classified as Goods, where a majority of the total projected contract value will be for the purchase of equipment, material or supplies.
- H. "Minority- and Women-owned Business Enterprise" ("MWBE") is defined a small business certified under Article 15-A of the Executive Law that is independently owned, operated and authorized to do business in New York State; and is owned and controlled by at least fifty-one percent women or minority group members who are citizens of the United State or permanent resident aliens; and whose personal net worth does not exceed fifteen million dollars or such other amount as set forth in the regulations. Such ownership must be real, substantial and continuing; and the minorities or women must have and exercise the authority to control independently the day-to-day business operations and decisions of the enterprise.<sup>1</sup>
- I. "Non-Personal Services Contracts" are Procurement Contracts for all other services that do not involve professional skill, knowledge or expertise and/or performance may be substituted by another individual or entity. By way of example, Non-Personal Services include, but are not limited to, managed services that support information technology functions (inclusive of subscription services), maintenance, minor structural repairs, printing services, marine patrol and skilled or unskilled temporary personnel, including clerical office staff, technicians, or engineers working under Canal Corporation's supervision.
- J. "Non-Procurement Contracts" include: (i) contracts for goods and services under \$5,000; (ii) contracts for energy with or without environmental attributes included, capacity, renewable energy certificates, ancillary services, transmission, distribution or related services in support of providing service to Authority customers; (iii) contracts for differences; (iv) contracts for the issuance of commercial paper or bonded indebtedness including, but not limited to: bond purchase agreements, standby bond purchase agreements, letters of credit, firm remarketing agreements, forward purchase agreements, revolving credit agreements and other similar liquidity facility agreements, broker-dealer agreements, remarketing agent agreements, auction agent agreements, interest rate swaps and other similar hedging agreements, provided, however, that this shall not include: (a) contracts with the State for providing for the payment of debt service subject to an appropriation; (b) professional or banking services agreements such as bond counsel, financial advisor and trustee agreements; and (c) custodial service agreements; (v) certain insurance and healthcare products that do not readily lend themselves to a competitive solicitation; (vi) direct and indirect placement of advertisements; (vii) the purchase of periodicals, referential data subscriptions, reference materials or professional research tools; (viii) fees or tuition associated with continuing education courses, training courses, conferences, seminars and symposiums, or the engagement of guest speakers; (ix) funding agreements, co-funding agreements, or grants and (x) memberships in various industry groups, professional societies or similar cooperative associations, or any

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<sup>1</sup> Executive Law § 310(7); 5 NYCRR § 140.1(bb).

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cooperative projects and procurement activities conducted or sponsored by such organizations in which the Canal Corporation participates.

- K. “Operation and Maintenance” (“O&M”) generally refers to the work or services necessary to keep the equipment and facilities, (collectively referred to generally as an “asset”) in optimal operating condition and/or to restore an asset to its productive capacity. This includes the cost of inspecting, testing, analyzing and reporting on the condition of the asset required to determine repairs or replacement, as well as costs associated with the normal operation and administration of assets.
- L. “Personal Services Contracts” are Procurement Contracts to provide either (i) a service by a named individual that involves a particular skill, cultivated judgment and the exercise of discretion, such that performance by a substituted individual would be unacceptable; or (ii) a professional service requiring professional skill, knowledge or expertise of a consulting, professional or technical nature in occupations that may require an advanced degree or specific licensure, certification or specialized training, for a fee, commission or other compensation, by a person or persons who are not providing such services as officers or employees of a state agency or public corporation. By way of example, such professional services include but are not limited to the areas of accounting, architectural, engineering, surveying, financial advisory, investment banking, legal, public relations, marketing, planning, management, consulting, surveying, training (when specifically developed by a consultant for the Canal Corporation), IT or cyber consulting, IT development and construction management.
- M. “Procurement Contracts” are contracts for the acquisition of goods and/or services in the actual or estimated amount of \$5,000 or more. Such goods and/or services are those necessary to support the Canal Corporation’s offices, facilities, operations and maintenance (“O&M”) and capital projects (as defined in Section 2), including but not limited to goods such as office supplies, major electrical equipment, construction and maintenance work and services.
- N. “Purchase Order Release” is a single order issued for goods or services in accordance with the terms and conditions of a Value Contract.
- O. “Relative” is any person living in the same household as the Canal Corporation employee or any person who is a direct descendant of the Canal Corporation employee’s grandparents or the spouse of such descendant, as referred to in Subsection 8.E of these Guidelines. The term Relative may include, but is not limited to, the relationship of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.
- P. “SDVOB Set-Aside” are procurements identified at the discretion of the Corporation to exclusively set-aside for the participation of NYS-certified SDVOBs, and are subject to the applicable laws, rules, and procedures governing procurements.
- Q. “Selection Process,” as further outlined in Section 4 below, includes as evaluating factors the Canal Corporation’s consideration of a bidder’s skill, judgment, and business integrity.



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- R. “Service-Disabled Veteran-Owned Business” (“SDVOB”) is a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation, certified under Article 3 of the Veterans’ Services Law that is at least fifty-one percent owned by one or more service-disabled veterans; an enterprise in which such service-disabled veteran ownership is real, substantial and continuing; an enterprise in which such service-disabled veteran ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; an enterprise authorized to do business in the State; and is independently owned and operated; an enterprise that is a small business which has a significant business presence in the State, not dominate in its field and employs less than 300 and is certified by the Office of General Services.<sup>2</sup>
- S. “Single-Source” is a procurement in which although two or more offerers can supply the required goods or services, the Canal Corporation, upon written findings setting forth the material and substantial reasons therefore, may award a contract or amendment to a contract to one offerer over the other.
- T. “Small Business” (or Small Business Enterprise, “SBE”), pursuant to Executive Law § 310 and as used in these Guidelines, unless otherwise indicated, is a business that has a significant business presence (as defined at 5 NYCRR 140.1) in New York State, is independently owned and operated, not dominant in its field and employs not more than 300 people.
- U. “Software” includes on-premise applications as well as Software-as-a-Service (SaaS) which is defined as a software distribution model in which a third-party provider hosts the application. “Software” shall be considered “Equipment” where such term is used throughout these Guidelines. Furthermore, the implementation services related to the initial installation of any software can also be considered equipment under that contract provided such installation does not exceed one year.
- V. “Sole Source” is a procurement in which only one offeror is capable of supplying the required goods or services.
- W. “SSM Department Head” – The Senior Vice President of Strategic Supply Management currently serves as the SSM Department Head.
- X. “Value Contract” master service agreement for goods and services with specific target value and term.

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**3. SOLICITATION REQUIREMENTS**

- A. Preparation of the solicitation of proposals for Procurement Contracts is the joint responsibility of the White Plains Strategic Supply Management (“SSM”) Department, or the Canal Corporation SSM Department, and the initiating department. Except as otherwise authorized by these Guidelines, a Request for Proposals or Request for Quotations will be made available to a minimum of three providers and/or firms (if available) commensurate with the magnitude and nature of the goods and/or services, and the schedule for performance.

<sup>2</sup> Veterans’s Services Law § 40(1); 9 NYCRR § 252.1(e).

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- B. Prospective bidders on Procurement Contracts may be prequalified by invitation advertised in the same manner as a Request for Proposals but referred to as a Request for Qualifications. In such cases, proposals are requested only from those provider(s) and/or firm(s) whose prequalification submittals demonstrate sufficient ability and competence (including, but not limited to, the bidder's skill, judgment and business integrity) to supply the particular goods and/or perform the particular services required.
- C. The Canal Corporation may withdraw any pending solicitation at any time, for cause or no cause. Any person or entity submitting any responsive document to the Canal Corporation does so at its own cost or expense and will not be reimbursed by the Canal Corporation for the preparation of any responsive document, unless otherwise agreed to in writing and signed by an authorized Canal Corporation representative.
- D. In order to promote the use of Minority- and Women-owned Business Enterprises ("MWBEs"), Service-Disabled Veteran-Owned Businesses ("SDVOBs") and Small Business Enterprises ("SBEs"), the Canal Corporation will solicit offers from such firms known to have experience in the type of goods and/or services to be provided, regardless of the type of contract. For the purpose of these Guidelines, the definitions of NYS-certified MWBE or SDVOB firms and SBEs are set forth in Sections 2.

In furtherance of this commitment to encourage greater MWBE, SDVOB, SBE participation, the Canal Corporation, at its own discretion, may utilize its discretionary purchasing authority to target specific [or limit the responses to certain] procurements for goods and services (not including construction or construction-related services) under the established monetary threshold from MWBEs, SDVOBs, and/or SBEs. For the purpose of determining whether a purchase is within the discretionary monetary thresholds, the aggregate amount of all purchases of the same commodities and/or services to be made from the same supplier within the 12-month period commencing on the date of purchase shall be considered. A change to or a renewal of a discretionary purchase shall not be permitted if the change or renewal would bring the reasonably expected aggregate amount of all purchases of the same commodities and/or services from the same provider within the 12-month period commencing on the date of the first purchase to an amount greater than statutorily established monetary threshold amounts as provided for in Public Authorities Law § 2879(3)(b)(i).

- E. It is the policy of New York State to promote the participation of New York State Business Enterprises and New York State residents in Procurement Contracts. The Canal Corporation will endeavor to promote such participation and to comply with the applicable statutory provisions. In furtherance of Public Authorities Law § 2879, the following definitions and actions apply:
1. "New York State Business Enterprise" is a business enterprise, including a sole proprietorship, partnership or corporation that offers for sale or lease or other form of exchange, goods sought by the Canal Corporation that are substantially manufactured, produced or assembled in New York State or services, excluding construction services, sought by the Canal Corporation that are substantially performed within New York State as further described in Public Authorities Law §

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2879. For purposes of construction services, a New York State Business Enterprise shall mean a business enterprise, including a sole proprietorship, partnership, or corporation, which has its principal place of business in New York state.
2. “New York State resident” is a person who maintains a fixed, permanent and principal home in New York State to which such person, whenever temporarily located, always intends to return as further described in Public Authorities Law § 2879.
  3. “Foreign Business Enterprise” is a business enterprise, including a sole proprietorship, partnership or corporation, that offers for sale, lease or other form of exchange, goods sought by the Canal Corporation that are substantially produced outside New York State, or services other than construction services, sought by the Canal Corporation that are substantially performed outside New York State as further described in Public Authorities Law § 2879. For purposes of construction services, Foreign Business Enterprise is a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.
  4. “Discriminatory Jurisdiction” is any country, nation, province, state or political subdivision thereof which employs a preference or price distorting mechanism to the detriment of, or otherwise discriminates against, a New York State Business Enterprise in the procurement of goods and/or services by the same or a non-governmental entity influenced by the same.
  5. Pursuant to Public Authorities Law § 2879, the Canal Corporation shall not enter into a contract with a Foreign Business Enterprise which has its principal place of business in a Discriminatory Jurisdiction contained on the list prepared by the Commissioner of the New York State Department of Economic Development (“DED”). The provisions of this section may be waived by the New York Power Authority’s (NYPA) President and Chief Executive Officer if the Chief Executive Officer determines in writing that it is in the best interests of the Canal Corporation to do so, as further set forth in the above-referenced law.
  6. Pursuant to Public Authorities Law § 2879, the Canal Corporation will, where feasible, make use of the stock item specification forms of New York State manufacturers, producers and/or assemblers, as made available by the Commissioner of General Services, for any Procurement Contract for the purchase of goods.
- F. Certain goods and/or services may be procured pursuant to Procurement Contracts let by any department, agency, officer, political subdivision or instrumentality of the State (e.g., the New York State Office of General Services (“OGS”)) or Federal government (e.g., General Services Administration (“GSA”)) or any city or municipality where the White Plains SSM Department, or Canal Corporation SSM Department, and the initiating department determine that a reasonable potential exists for cost savings or other benefits to the Canal Corporation and have approved the specifications and proposed terms and conditions of such contract.

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Certain Procurement Contracts established by the OGS or GSA require that authorized users conduct a “mini-bid” (i.e., an abbreviated supplemental competitive bid procurement process) among prequalified bidders identified in such established contracts.

- G. Procurement Contracts issued by the Canal Corporation may also utilize a mini-bid process, typically, in cases of a multiple award, where a contract is awarded to more than one bidder that meets the Canal Corporation bid requirements. Such mini bids shall be conducted by the Canal’s Corporation SSM staff (or on behalf of the Canal Corporation by a contracted service provider) where applicable and practicable. Within a said multiple award group, work may be assigned to a specific firm without conducting a mini-bid, under certain circumstances, including but not limited to: where such firm possesses specialized expertise and is uniquely qualified to perform such work; where time constraints, emergency or other critical conditions exist or geographic location is of primary consideration in order to meet schedule requirements, respond to emergent issues or otherwise meet the Canal’s Corporation needs; or when the work scope is below a specified monetary threshold. The decision to assign work without conducting a mini bid shall be made jointly by the Canal Corporation SSM Department and initiating departments and shall be documented for the Procurement Record.
- H. Solicitations will include a scope of work that defines the goods required and/or the services to be performed; evaluation criteria (as defined in Section 4); milestone dates; the Canal Corporation Supplier Diversity program requirements, if applicable; all other applicable Canal Corporation requirements and any special methods or limitations that the Canal Corporation chooses to govern the work.
- I. Telephone solicitation, for procurements valued at less than \$50,000, may be used where time constraints do not permit issuance of a Request for Proposals, where issuance of a Request for Proposals is otherwise impracticable or for goods that are catalog items or do not require a detailed bill of materials or specification. All telephone solicitations made by SSM shall be documented and made part of the Procurement Record.
- J. For all Procurement Contracts, including Discretionary Purchases, with a value equal to or greater than \$50,000 (except for those contracts noted below), and for all Procurement Contracts let by the Canal Corporation for the improvement, maintenance or repair of the canal system regardless of value the Canal Corporation will, prior to soliciting proposals, submit all required information to the Commissioner of the DED to be included on the New York State *Contract Reporter* website, ([www.nyscr.ny.gov](http://www.nyscr.ny.gov)). Such information will be submitted to the DED Commissioner in accordance with the schedule set forth by the DED. The due date for bids or proposals will be a minimum of 15 business days after the date of publication of such notice on the *Contract Reporter* website, except where a shorter period is specifically authorized by law. For Procurement Contracts resulting from a Request for Proposal process, the Canal Corporation will submit the results of the bid opening, including the names of firms submitting proposals and the name/s of the awardee/s, for inclusion on the *Contract*

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

This section 3.J does not apply to (i) Procurement Contracts awarded on an emergency basis as described below in Section 3.O, (ii) Procurement Contracts being rebid or re-solicited for substantially the same goods and/or services, within 45 business days after the original due date, and/or (iii) Procurement Contracts awarded to not-for-profit human services providers. (See Article 4-C, Economic Development Law)

Notwithstanding the foregoing, submittal of a notice of award for inclusion on the *Contract Reporter* website is required for Procurement Contracts with a value of \$50,000 or more awarded on a sole source or single source basis. Such notice shall specify the name of the awardee.

- K. In order to further increase participation of service-disabled veterans in New York State's contracting opportunities, contracts may be competitively bid exclusively among NYS-certified SDVOBs regardless of value and advertised as such on the *Contract Reporter* website as a SDVOB Set-Aside.
- L. Proposals for certain services not resulting in Procurement Contracts may also be solicited by the SSM Department staff to gather information from potential sources, that will include a description of the offeror/firm's qualifications, résumés of key personnel, past experience and proposed billing rates. SSM's effort is concluded when SSM furnishes the information solicited to the initiating department for their use.
- M. A Procurement Contract may be awarded on a Sole Source, Single Source, or other non-competitive basis where:
  - 1. Compatibility of equipment, accessories or spare or replacement parts is the paramount consideration.
  - 2. Services are required to extend or complement a prior procurement and it is impracticable or uneconomic to have a source other than the original source continue the work.
  - 3. An item is needed for trial use or testing.
  - 4. A proprietary item is sought for which there is only one source.
  - 5. Other circumstances or work requirements exist that cause only one source to be available to supply the required goods and/or services.
  - 6. Services are required on a more expedited basis than the competitive procurement process will allow. Requesting business units must demonstrate the urgency of the project and that awardee is cost-effective and qualified in the subject area. Services shall be for specific scopes of work in an amount not exceeding \$500,000 and are subject to the approvals stated in Section 3.D.
  - 7. An award made to NYS SBEs, up to the discretionary purchasing buying threshold, that is in the best interest of the Corporation in furtherance of the State of New York and Authority's Supplier Diversity economic program goals and upon approval by the SSM Department Head.

**Deleted:** , including such discretionary contracts not exceeding \$500,000 awarded to Small Business Enterprises (SBEs) or MWBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, for discretionary awards on a single or sole source basis to SDVOB's, or for the purchase of food, including milk and milk products that are grown, produced or harvested in New York State, and certain other Procurement Contracts exempt from the general advertising requirement for Procurement Contract bidding opportunities, in accordance with the afore-referenced law.

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- N. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Canal Corporation may be required to submit certain contracts to the New York State Comptroller for approval that are awarded on a Sole Source, Single Source, or other non-competitive basis for the purchase of goods and/or services in an amount in excess of \$1 million, and shall notify the successful bidder therefor. Such contracts or contract amendments shall not be valid and enforceable unless approved by the Comptroller or until 90 days have elapsed from such submission without action by the Comptroller, as further set forth in the referenced law and regulations.
- O. Subject to the Canal Corporation Expenditure Authorization Procedures (“EAPs”), and Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, a Procurement Contract may be awarded without following the solicitation requirements that ordinarily apply (but using such competitive selection procedures as are practicable under the circumstances) where emergency conditions exist, such as:
1. A threat to the health or safety of the public or Canal Corporation employees or workers arising out of (i) an accident; or (ii) other unforeseen occurrence or condition immediately affecting the property or other interest of the Canal Corporation.
  2. Proper functioning of the Canal Corporation facilities or construction or operating projects, or other projects implemented by the Canal Corporation, requires adherence to a schedule that does not permit time for an ordinary procurement solicitation.
- P. Whenever an initiating department determines that a Procurement Contract should be awarded on a Single Source, Sole Source, or an emergency basis, the department head or other authorized equivalent per the EAPs will provide a written statement explaining the compelling reasons therefor to the SSM Department. The award of such Procurement Contracts, regardless of value, requires the written approval of the SSM Department Head.
- Q. In furtherance of Public Authorities Law § 2800, when a procurement is made on a non-competitive basis, and the price for goods or services purchased exceeds fair market value, prior to making the purchase, the Business Unit Head of the initiating department shall provide a detailed explanation of the justification for making the purchase and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer stating that they have reviewed the terms of such purchase and determined that it complies with applicable law and procurement guidelines. The following definition shall apply: “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair market value may be determined by internal appraisals, industry-recognized sources, or other methods of valuation generally accepted in the industry in which such property is utilized, as may be approved by the SSM Department Head or authorized designee.

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- R. It is the policy of New York State to discourage improper communications intended to influence a governmental procurement. The Canal Corporation will endeavor to control such practices and will comply with the applicable statutory provisions. In furtherance of the State Finance Law §§ 139-j and 139-k, the following shall apply:

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

The Canal Corporation shall designate a person or persons who may be contacted, with respect to each Canal Corporation procurement. The bidders/contractors or persons acting on their behalf, shall only contact the Canal Corporation’s designated person or persons where a reasonable person would infer that the communication was intended to influence the procurement during the Restricted Period. Any contacts received by persons other than those designated by the Canal Corporation shall make a contemporaneous record of such contact and report it to the designee(s).

- S. In furtherance of the Canal Corporation commitment to ensure transparency and accountability of its operations, every member, officer or employee of the Canal Corporation who is contacted by a lobbyist is required to make a contemporaneous record of such contact, pursuant to Public Authorities Law § 2987.
- T. Project Sunlight (Chapter 399, Part A, Section 4 of the Laws of 2011) requires the Canal Corporation to record in a database maintained by the New York State Office of General Services certain appearances between the Canal Corporation and individuals, firms or other entities (excluding elected officials and representatives of federal, state and local agencies and authorities) relating to the procurement of a contract, with a value of \$25,000 or more, for real property, goods or services. Appearances are defined as an interaction through an in-person meeting or a video conference between covered individuals. Appearances related to emergency procurements and disposal of property through public auctions are excluded, as are appearances that take place during the formal “Restricted Period.” Covered individuals at the Canal Corporation means an employee who has the power to exercise discretion in procurement matters or advises someone who exercises such discretion. A covered individual outside of the Canal Corporation means both “external” (e.g., a lobbyist) and “internal” (e.g., sales representative) representatives of an entity, individuals appearing on behalf of themselves, advocacy groups or organizations or entities representing the interests or concerns of the organization or entity or of its members. All such appearances must be

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promptly reported to the Canal Corporation Ethics and Compliance Office for recording in the Project Sunlight database.

- U. Prior to entering into any binding commitment with a third party (e.g., written agreement or memorandum of understanding (MOU)) in pursuit of any joint or collaborative development project, the office of SSM and the Law Department (“Law”) must be notified regarding the procurement and on the issue of whether and to what extent the projects falls within the constraints of the Canal Corporation’s procurement regulations and enabling legislation. SSM and Law should be brought into any such project during the development phase. Provided that the Canal Corporation has statutory authority to develop or otherwise participate in a project developed, in whole or in part, in collaboration with a third party, the following minimum criteria must be met:

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

Prior to execution any underlying agreement (i.e., joint development agreement, MOU, etc.) an internal award recommendation must be memorialized and approved by the SSM Department Head, the Executive Vice President and Chief Financial Officer (or his/her designee) and the responsible Business Unit head.

#### **4. SELECTION PROCESS**

- A. Proposals will be evaluated using a fair and equitable comparison of all aspects of the proposals against the specifics of the solicitation and against each other, including an analysis of each offer that considers: the quality of the goods and/or the competence of the bidder (including, but not limited to, the bidder’s skill, judgment and business integrity), the technical merit of the proposal and the price for which the goods and/or services are to be supplied.

In the event the price submitted by the bidder recommended to be awarded a contract exceeds the cost estimated, where a cost estimate is provided on the solicitation at the time of bidding, the initiating department will prepare a written explanation to be



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reviewed by the Canal Corporation SSM Department and appropriate managers as stipulated in the EAPs. The following options should be considered: (1) rejecting the bids, resoliciting proposals and/or modifying the scope of work; (2) revising the cost estimate and proceeding with the contract award and (3) negotiating with the bidder(s) to reduce the price quoted. Factors to be considered in reaching the proper course of action include but are not limited to: the effects of a delay on both the schedule and the cost of the specific procurement (e.g.: capital construction project) or specific circumstances (e.g.: outage at an operating facility), the magnitude of the contract, available bidders, the ability to attract additional competition if the solicitation is reissued, and the accuracy of the original cost estimate. The recommended course of action and the reasons therefor must be fully documented in a memorandum for consideration by the appropriate level of management prior to approval and placed in the appropriate procurement file.

- B. Factors to be considered in evaluating the goods and/or services to be supplied and/or the competence of the bidder are: previous experience (including applicable experience in New York State and evaluations from other clients for whom the bidder has provided goods and/or services); the abilities and experience of the personnel to be assigned to the Canal Corporation work and the ability to provide any needed advanced techniques such as simulation and modeling; and overall, the bidder's skill, judgment and business integrity. The approach proposed in meeting the exact requirements of the scope of work will be given consideration in evaluating the technical merit of the proposal, together with a well-organized task structure, the ability to timely supply the goods and/or perform the proposed services and the ability to comply with Supplier Diversity participation goals, if any. The need to purchase the goods from and/or subcontract performance of services to others will be evaluated as to their effects on cost, as well as quality, schedule and overall performance.

Other factors that may be considered in evaluating proposals may involve an assessment of the bidder's diversity practices (Exec Law § 313-a), participation in the Authority's Mentor-Protégé Program (SFL § 9(147) for MWBEs, or Quantitative Factoring NYCRR 142.14) for MWBEs, SDVOBs and SBEs, where applicable.

- C. For Personal Services Contracts, Non-Personal Services Contracts, and Construction Contracts (as defined in Section 2 of these Guidelines), the technical merits of the proposals and the experience and capabilities of the bidders will be the primary factors in determining the individual or firm to be awarded the contract, provided that the price for performing such work is reasonable and competitive.

- D. For Procurement Contracts for Goods (as defined in Section 2.G of these Guidelines), the award should generally be made to the lowest-priced firm submitting a proposal that meets the commercial and technical requirements of the bid documents. (See also Section 4.G regarding award to "other than low bidder".)

- E. For Procurement Contracts let by the Canal Corporation for the improvement, maintenance or repair of the canal system, each proposal shall specify the correct gross sum for which the work will be performed and shall also include the amount to be charged for each item specified on the proposal estimate sheet. These Procurement Contracts shall be awarded to the lowest responsible bidder, as will best promote the

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**Deleted:** Pursuant to Article 15-A of the Executive Law, diversity practices are the contractor's practices and policies with respect to utilizing NYS-certified MWBEs in contracts as subcontractors and suppliers, and entering into partnerships, joint ventures or other similar arrangements with NYS-certified MWBEs. A contractor's diversity practices may be assessed when: (1) a procurement is awarded on the best value basis described in Section 4.F. (but *not* when a procurement is awarded based upon "lowest price"); (2) the anticipated award is \$250,000 or greater; and (3) such assessment is practicable, feasible and appropriate.

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public interest, as determined in accordance with applicable law. The Canal Corporation may reject any or all proposals and may advertise for new proposals if, in its opinion, the best interest of the State and the Canal Corporation will thereby be promoted.

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- F. Pursuant to § 139-k of the State Finance Law, the Canal Corporation shall not award a Procurement Contract to an offeror who fails to provide timely, accurate and complete responses to inquiries about past determinations of non-responsibility (unless awarding the contract is necessary to protect public property or public health or safety and the offeror is the only source capable of supplying the required article of procurement within the necessary timeframe.)

A bidder's/contractor's knowing and willful violation of the Canal Corporation policy providing for certain procurement disclosures shall result in a determination of non-responsibility of such offeror pursuant to State Finance Law §§ 139-j and 139-k only.

More than one determination of non-responsibility due to violations of State Finance Law § 139-k in a four-year period shall render an offeror ineligible to submit bids for four years from the second determination of non-responsibility.

- G. The Canal Corporation may award on a best value basis for awarding contracts to the offeror that optimizes quality, cost and efficiency, among all qualified bidders. The Canal Corporation may award to other than low bidder or best value only with the approval of appropriate management as stipulated in the EAPs and should be based on such a proposal providing a clear advantage to the Canal Corporation over the lower-priced proposal. Such basis shall reflect, whenever possible, objective and quantifiable analysis and may also identify a quantitative factor for offerors that are Small Businesses or NYS-certified SDVOB or MWBE firms. Other factors may include but are not limited to: improved delivery schedules that will reduce outages; longer warranty periods; improved efficiency over the usable life of the equipment; reduced maintenance costs; the bidders' financial resources or the ability to meet or exceed Supplier Diversity goals; and overall, the bidder's skill, judgment and business integrity.
- H. The specifications set forth in any solicitation prepared under these Guidelines were based upon information available at the time of the preparation of the solicitation. Thus, the Canal Corporation may diverge from the specifications of any solicitation if, after review of the proposals responsive to such solicitation, the Canal Corporation deems it prudent in light of its experience, the circumstances of the solicitation and/or potential cost savings.

**5. AWARD OF CONTRACT**

- A. Procurement Contracts must be approved in writing by the appropriate management as set forth in the EAPs. Trustee approval at the next Trustees' meeting is required as detailed in this Section 5.

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- B. If the proposed term of a Personal Services contract will exceed five (5) years, including any extensions authorized in the contract, the SSM Department Head must first approve the Business Unit's written justification for the term exceeding 5 years prior to the issuing of the contract.
- C. The SSM Department prepares the contract for execution by the Canal Corporation and the successful bidder. No work by the selected contractor will commence until the contract is executed by both parties, except that a signed letter of intent or a notice to proceed may initiate work prior to formal execution. Canal Corporation signatories of such letters must be authorized to approve contract awards pursuant to the EAPs.
- D. Pursuant to Economic Development Law § 143, the Canal Corporation shall submit an announcement of the intended contract for inclusion in the procurement opportunities newsletter at the time it enters into a contract. Such announcement shall identify the contract, specify the date of the award of the contract and provide the name of and contact information for each recipient of the contract.
- E. Pursuant to Public Authorities Law § 2879, the Canal Corporation shall notify the Commissioner of Economic Development of the award of any Procurement Contract for the purchase of goods and/or services from a Foreign Business Enterprise (as defined in Subsection 3.E.3 of these Guidelines) in an amount equal to or greater than \$1 million simultaneously with notifying the successful bidder thereof. The Canal Corporation shall not enter into the Procurement Contract for said goods and/or services until at least 15 days have elapsed from the notification of the award, except for a Procurement Contract awarded on an emergency or critical basis. The notification to the Commissioner shall include the name, address, telephone and facsimile number of the Foreign Business Enterprise, the amount of the proposed Procurement Contract and the name of the individual at the Foreign Business Enterprise or acting on behalf of same who is principally responsible for the proposed Procurement Contract.
- F. Prior to award, contracts meeting the following criteria must be approved by the Trustees:
  - a. The value of a contract (or the aggregate amount for multiple awards) meets or exceeds the minimum value requiring Trustee approval as set forth in the EAPs;
  - b. A Services Contract (which include contracts for Construction, Personal and Non-personal services, as defined in Section 2 of these Guidelines) valued or estimated to be \$5,000 or greater that will be awarded for a period of more than 12 months;
  - c. Extending a contract for Services with an initial duration of less than 12 months beyond 12 months. When time constraints or emergency conditions require extending an existing contract with an initial duration of less than a year beyond a year, the Business Unit Head, with the prior concurrence of the SSM Department Head or equivalent(s) or designee, may authorize in writing

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extending such contract, subject to the Trustees ratifying such action as soon as practicable; or

- d. Extending a previously approved contract for services beyond the allowable “grace period” as further described in Section 5G.
- G. Extending a Services Contract, previously approved by the Trustees, for 12 months or less (“grace period”) requires approval by the Vice President of the requesting department or other authorized equivalent or designee in accordance with existing EAPs and concurrence by the SSM Department Head.
- H. The Business Unit head, with the prior concurrence of the SSM Department Head, may authorize, in writing, the commencement of services or the purchase of goods prior to obtaining the required Trustee approval under the following limited circumstances:
  - a. When the total estimated contract value or the value of the extension exceeds the monetary limits set forth in the EAPs and immediate work is required.
  - b. When time constraints or emergency conditions require immediate commencement of services to be performed for a period of more than one year.

The initial compensation limitation may not exceed the authorization level for the Business Unit head as set forth in the EAPs. Such contracts will be subject to the Trustees’ approval, which will be solicited at their next scheduled Trustee meeting.

- I. For Personal Services Contracts, Non-Personal Service Contracts, and Construction Contracts valued or estimated to be \$5,000 or greater to be performed for a period of more than 12 months that must be awarded prior to the next Trustees’ meeting, the initial contract will be issued for the entire intended term of the contract. Based on its total term and value, such contract must be approved in writing by the appropriate management as set forth in the EAPs and the Business Unit head. Such contract is subject to the Trustees’ approval, at the next Trustees’ meeting. If such approval is not granted, the contract will be terminated immediately.
- J. A Personal Services Contract, Non-Personal Service Contract, and Construction Contract or contract task valued or estimated to be \$5,000 or greater is deemed to be for services in excess of 12 months where the contract does not specify a definite term and the work will not be completed within 12 months, and any “continuing services” contract with no fixed term that provides for the periodic assignment of specific tasks or particular requests for services. This includes Trustee-approved contracts for architect/ engineering services with the original engineers of operating facilities, as well as the original supplier of steam supply systems or boilers and turbine generating equipment. Each task authorized under such contracts (which may be referred to as a “Change Order,” “Purchase Order” or “Task Number”) is considered a separate commitment and must be separately approved in accordance with the EAPs.

**6. CONTRACT PROVISIONS**

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- A. Standard forms of boilerplate contracts are available including but not limited to the following more common forms: purchase orders; furnish-and-deliver; consulting services agreements and maintenance agreement formats; contract work orders; construction contracts and furnish, deliver and install contracts. These contract forms are intended to govern the routine purchase of goods and/or performance of services.

Canal Corporation departments proposing to initiate a Procurement Contract should review these forms to suggest any modifications and additions that may be required for the particular goods and/or services. Under no circumstances should contract forms be shown to proposed bidders without the prior approval of the SSM Department, which are responsible for requesting proposals.

- B. The following types of provisions setting forth contractor responsibilities are to be contained in the standard forms of Procurement Contracts, except that any provisions listed below that are inapplicable or unnecessary because of the nature or duration of the work to be performed, the location(s) where the work is to be performed or the type of compensation being paid therefor, need not be included. Other provisions may be added as necessary and appropriate.

1. Schedule of Services or Specifications
2. Time of Completion
3. Compensation or Itemized Proposals
4. Relationship of Parties
5. Delays
6. Termination
7. Changes in the Work
8. Claims and Disputes
9. Warranty
10. Insurance
11. Records, Accounts, Inspection and Audit
12. Assignment
13. Notices
14. Indemnification
15. Governing Law
16. Proprietary Nature of Work
17. Testimony
18. Supplier Diversity (MWBE/SDVOB/DBE/EEO) requirements
19. Entire Agreement

Contract Attachments

1. Compensation Schedule
2. Schedule of Services or Specifications
3. Appendix "A" (Miscellaneous Statutory Provisions)
4. Appendix "B" (Prompt Payment Provisions)
5. Appendix "C" (Supplier Diversity Provisions)
6. Appendix "E" (Omnibus Procurement Act of 1992 Requirements)
7. Appendix "G" (Equal Employment Opportunities Requirements) - inactive
8. Appendix "H" (Tax Law Requirements)

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9. Appendix “J” (Bidder/Contractor Compliance with State Finance Law §§ 139-j and 139-k Providing for Certain Procurement Disclosures) - inactive
10. Appendix “K” (Additional State and Federal Provisions Required for American Recovery and Reinvestment Act (Pub. L. No. 111-5 Stat. 2009) (“ARRA”) Funded Projects) - inactive
11. Appendix “L” (DOE Federal Contract Provisions) - inactive
12. Appendix “M” (Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology (“BART”) for Heavy Duty Vehicles)
13. Appendix “N” (The New York State Iran Divestment Act of 2012 – Iranian Energy Sector Divestment) - inactive
14. Appendix “O” (Encouraging Use of New York State Businesses in Contract Performance) – inactive
15. Appendix “P” (Information Security Requirements for Vendors and External Partners)
16. Omnibus Procurement Certification

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

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

The name(s) of any vendor(s) providing goods or services as outlined in this section C shall be disclosed during the bidding event.

The above restrictions shall not apply where:

1. The vendor is the sole source or single source of the product or service;
2. More than one vendor has been involved in preparing the specifications for a procurement proposal;
3. There is no qualified response to the solicitation for future phases of work, including implementation;
4. Construction projects using delivery models of Design-Build or Engineer, Procure, Construct; or
5. The originating Canal Corporation Department determines in writing that the restrictions are not in the best interests of the Canal Corporation. Such originating Department shall obtain the approval of the applicable Department Head or equivalent(s), NYPA SSM Department Head or equivalent(s) or designee, NYPA Assistant General Counsel or equivalent(s) and NYPA President and Chief Executive Officer or designee or Chief Operating Officer or equivalent(s) to waive this restriction on a case-by-case basis.

**7. CHANGE ORDERS**

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- A. Change Orders to existing contracts are justified in circumstances such as the following:
1. To incorporate additional work related to the original scope, to delete work or to otherwise modify the original work scope;
  2. To exercise options previously included in the original contract to perform additional work or to extend the contract term;
  3. To accommodate emergency conditions, defined in Section 3.P herein, that require the immediate performance of work by a firm already under contract;
  4. When rebidding would not be practical or in the best interests of the Canal Corporation customers; or
- B. Change Orders requests for an increase to the value of a Purchase Order, Value Contract or Purchase Order Release must be approved in accordance with the Canal Corporation's EAPs. The estimated expenditure pursuant to the Change Order shall not increase the total amount of the primary contract until the estimated expenditure shall have been approved by the Canal Corporation and a duplicate of such approval shall have been filed with the Comptroller.
- C. Change Order requests that extend the term of a services contract, inclusive of Personal Services, Non-Personal Services and Construction contracts, from a term of less than one year to more than one year must be approved by the Board of Trustees prior to the execution of the Change Order.
- D. The Canal Corporation will not execute a Change Order and will engage in a competitive bidding process when a proposed change order would result in a contract value (or aggregate) exceeding the thresholds set forth below:
- a. For contracts with an original approved amount (or latest Trustee approved amount) of less than \$100,000:
    - i. \$25K more than the original authorized amount (or latest trustee approved amount)
  - b. For contracts with an original approved amount (or latest Trustee approved amount) of \$100,000 or greater:
    - i. \$500K more than the original authorized amount (or latest trustee approved amount) for Personal Services contracts
    - OR -
    - ii. \$6M more than the original authorized amount (or latest trustee approved amount) for all contracts that are not Personal Services contracts

- OR -
- iii. 125% of the original authorized amount of the contract (or latest trustee approved amount).
- c. Should a competitive bidding process not be feasible:
  - i. A memo must be presented to and signed by the SSM Department Head explaining why rebidding pursuant to a competitive solicitation process is not feasible. The memo must be signed by the proposing business unit representative following the appropriate column of the EAPs for the proposed new value of the contract(s).
  - ii. The SSM Department Head has the right to reject the proposed change order to the contract and direct rebidding pursuant to a competitive solicitation process. The SSM Department Head has the right to accept the change order and may direct the end user to advise the Trustees of the resultant increase at the next Trustee meeting.
  - iii. For contracts with an original approved amount (or latest approved trustee amount) of greater than \$100,000, if the change order proposed meets criteria (b.iii) above and meets either (b.i) or (b.ii), the change order must be presented to the Board of Trustees.
  - iv. When the change order has been presented and accepted by the Trustees, the latest trustee approved amount will become the new contract value.
- E. All Change Orders should include a defined scope of work and all impacts to price and schedule.
- F. Pursuant to Public Authorities Law § 2879-a, the Comptroller Regulations and the State Authority Contract Manual, the Canal Corporation may be required to submit certain Change Orders to the New York State Comptroller for filing or approval where the aggregate value of the contract as amended is in excess of \$1 million and the original contract was awarded on the basis of a non-competitive procurement, but the modification was neither contemplated nor provided for in the solicitation for such non-competitive procurement.

**8. CONTRACTING DECISIONS INVOLVING CURRENT OR FORMER EMPLOYEES**

- A. Former Canal Corporation officers and employees may be eligible to be considered for direct engagement as contractors and/or consultants provided that they meet all criteria for contractors and/or consultants generally as specified in these Guidelines; their engagement is not barred by New York Public Officers Law § 73(8); they obtain an opinion by the New York State Commission on Ethics and Lobbying in Government that such engagement is permissible; and upon approval of the NYPA President and Chief Executive Officer, as well as the Chairman of the Canal Corporation Board.
- B. Pursuant to the provisions of New York Public Officers Law § 73(8):



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1. No Canal Corporation officer or employee is eligible, within a period of two years after the termination of Canal Corporation service to appear or practice before the Canal Corporation or receive compensation for any services rendered on behalf of any person, firm, corporation or association, in relation to any case, proceeding or application or other matter before the Canal Corporation.
  2. No Canal Corporation officer or employee is eligible, at any time after the termination of Canal Corporation service, to appear, practice, communicate or otherwise render services before the Canal Corporation or any other state agency or receive compensation for any such services rendered on behalf of any person, firm, corporation or other entity in relation to any case, proceeding, application or transaction that such person was directly concerned with and personally participated in during his or her period of service, or which was under his or her active consideration.
  3. Pursuant to the provisions of New York Public Officers Law § 73(8-b), notwithstanding the provisions of 1. and 2. above, a former Canal Corporation officer or employee may contract individually, or as a member or employee of a firm, corporation or association, to render services to the Canal Corporation, if, prior to engaging in such service, the Chairman of the Board of Directors certifies in writing to the New York State Commission on Ethics and Lobbying in Government that such former officer or employee has expertise, knowledge or experience with respect to a particular matter which meets the Canal Corporation needs and is otherwise unavailable at a comparable cost. Where approval of the contract is required under § 112 of the New York State Finance Law, the Comptroller shall review and consider the reasons for such certification. The New York State Commission on Ethics and Lobbying in Government must review and approve all such certifications.
- C. No Canal Corporation employee who is involved in the award of Canal Corporation grants or contracts may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official or candidate for elective office or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- D. No Canal Corporation employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 8.C above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- E. No Canal Corporation employee may take part in any contracting process or decision: (i) to a Relative; or (ii) to any entity in which the Canal Corporation employee or a Relative of such Canal Corporation employee owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section 8.E, then

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the employee must advise in writing his or her supervisor and the Office of Ethics and Compliance of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

For purposes of this Section 8.E, the term “Relative” is defined in Definitions, Section 2.O of these Guidelines.

**9. SUPPLIER DIVERSITY PROGRAM REQUIREMENTS**

- A. Minority- and Women-owned Business Enterprises (MWBE) and Equal Employment Opportunity (EEO)

The Canal Corporation is committed to the inclusion and participation of MWBEs on Canal Corporation contracts. Article 15-A of the Executive Law established the Division of Minority and Women’s Business Development (“DMWBD”) that is responsible for developing rules and regulations for implementation of this statute, certifying MWBEs and reviewing and monitoring goal plans, compliance reports and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. In addition, specific subcontracting goals for MWBEs may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified MWBEs as required by law. Additionally, the Canal Corporation may use discretionary purchases to further advance this socio-economic goal.

- B. Service-Disabled Veteran-Owned Business (SDVOB) Program Requirements

The Canal Corporation is committed to promote business opportunities for NYS-certified SDVOBs in Canal Corporation contracts. Veteran Services Law Article 3 established the Division of Service-Disabled Veteran-Owned Business Development that is responsible for developing rules and regulations for implementation, certifying SDVOBs and reviewing and monitoring NYPA’s plans, compliance reports, and contract provisions to be included in all non-construction contracts for more than \$25,000 and construction contracts for more than \$100,000. In addition, specific subcontracting goals for SDVOBs may be included in certain contracts for consulting work, construction and procurement of goods and other services requiring the contractor/vendor to subcontract a portion of the work to NYS-certified SDVOB as required by law. Additionally, the Corporation may use discretionary purchases and SDVOB Set-Asides to further advance this socio-economic goal

- C. Disadvantaged Business Enterprise (DBE) Program Requirements on Federally Funded Contracts

The Canal Corporation (“Canals”) strives to foster the development of business opportunities for NYS certified DBEs and to further increase their participation in Canals Federally funded contracts. The Canals aims to solicit proposals from DBEs for procurements that will be partially or fully federally funded. The Canals follows the DBE guidelines as set out by the Federal Department of Transportation (“OT”) to

ensure that DBEs have an equal opportunity to compete, and provide goods and services to the Canal Corporation.

**10. PROCUREMENT RECORD AND REPORTING**

**A. Procurement Record**

The Canal Corporation SSM Department maintains records of Procurement Contracts. In addition to bid- and contract award-related documents for the goods provided and/or services performed, the Procurement Record includes, but is not limited to, documentation of the decisions made, and the approach taken in the procurement process. Such records may be transmitted to the digital warehouse for electronic storage and retrieval. Under State Finance Law §§ 139-j and 139-k, the Procurement Record must also include:

- i. A statement describing the basis for a determination of a bidder's/contractor's non-responsibility (per State Finance Law §§ 139-j and 139-k only) and the decision not to award an offeror the Procurement Contract.
- ii. All forms entitled "Record of Contact".
- iii. A statement describing the basis for a termination of a Procurement Contract for providing an intentionally false certification must be included in the Procurement Record.

The Canal Corporation shall notify the New York State Office of General Services of bidders/contractors who have been determined to be non-responsible bidders or debarred due to violations of State Finance Law § 139-j.

**B. Procurement Report**

The NYPA SSM Department Head or equivalent(s) will prepare and submit an annual report to the Canal Corporation Board of Directors for their approval that will include:

1. A copy of the Guidelines;
2. An explanation of the Guidelines and any amendments thereto since the last annual report;
3. A list of all Procurement Contracts entered into since the last annual report, including all contracts entered into with New York State Business Enterprises and the subject matter and value thereof and all contracts entered into with Foreign Business Enterprises and the subject matter and value thereof;
4. A description of work performed, the contract number, the date of the contract and its duration, the name, address and NYS-certified MWBE designation of the awardees, the total amount of the contract, the amount spent on the contract during the reporting period and for the term of the contract to date and the status of open Procurement Contracts during the report year;
5. The type of contract (equipment, services, personal services or construction);

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6. The method of awarding the contract (e.g., competitive bidding, Sole Source, Single Source);
  7. The reasons why any procurements with a value equal to or greater than \$50,000 were not noticed in the Contract Reporter;
  8. The number of bids received and
  9. All referrals made and all penalties imposed, if any, pursuant to § 316 of the Executive Law.
- C. Such annual report, as approved by the Canal Corporation Board of Directors, shall be submitted to the New York State Division of the Budget within 90 days of the end of such calendar year, and copies thereof shall be distributed to the New York State Department of Audit and Control, the DED, the New York State Senate Finance Committee, and the New York State Assembly Ways and Means Committee and any other entity as may be required by law. The annual procurement report is posted on the Canal Corporation website and copies shall be made available to the public upon reasonable written request therefor.
- D. The Canal Corporation may be called upon periodically to submit information regarding the procurement of goods and/or services to organizations implementing the Public Authorities Accountability Act (PAAA) or other statutes regulating the procurement of goods and services, such as New York State Authorities Budget Office through the Public Authorities Reporting Information System ("PARIS").
- E. The SSM Department Head or designee will also prepare Annual Goal Plans for the MWBE and SDVOB programs and will submit them by January 15 of each year to Empire State Development - Division of Minority and Women Business Development and the New York State Office of General Services - Division of Service-Disabled Veterans' Business Development, respectively. Quarterly Utilization / Activity Reports for each program will also be prepared and submitted to the aforementioned respective state entities by the 15<sup>th</sup> day of July, October, January and April.

**11. THIRD PARTY RIGHTS: VALIDITY OF CONTRACTS**

- A. These Guidelines are intended for the guidance of officers and employees of the Canal Corporation only. Nothing contained herein is intended, nor should it be construed, to confer on any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof.
- B. Nothing contained in these Guidelines alters or affects the validity of, modifies the terms of or impairs any contract or agreement entered into in violation of these Guidelines.



**Date:** October 14, 2025

**To:** GOVERNANCE COMMITTEE

**From:** PRESIDENT and CHIEF EXECUTIVE OFFICER

**Subject:** Approval of Guidelines for Disposal of Personal Property and Expenditure Authorization Procedures for New York Power Authority and Canal Corporation

### SUMMARY

The Committee is requested to recommend to the New York State Authority Trustees and New York State Canal Corporation Board of Directors approval of the changes to the Guidelines for Disposal of Personal Property (Exhibits "A" and "C") and Expenditure Authorization Procedures ("EAPs") (Exhibits "B" and "D").

### BACKGROUND

On January 13, 2006, the Public Authorities Accountability Act of 2005 ("PAAA") was enacted to codify model governance principles for New York State's public authorities to further accountability and transparency. Among its provisions, the PAAA, and as later amended by the Public Authorities Reform Act of 2009, established requirements for the disposal of public authority personal property. The law also required each authority to draft guidelines consistent with the legislation dealing with these issues, to review and approve such guidelines annually and to prepare an annual report of the disposal of personal property (including the full description, name of the purchaser and price received for all such property disposed of by the authority during such period).

Article VII, Section 5 of the Authority's By-Laws requires that the Trustees adopt expenditure authorization procedures which, among other things, govern contract approval authorizations and executions, delegation of approval for claims settlements and payment for real estate. The EAPs were last revised on March 25, 2025, with the Chairman's approval.

### DISCUSSION

The Personal Property Guidelines set forth the methodology detailing NYPA and Canal Corporation's policy regarding the use, award, monitoring and reporting of the disposal of personal property and designate a Contracting Officer responsible for compliance with, and enforcement of, such Guidelines. For NYPA and the Canal Corporation, please note there are no changes to the Guidelines for Disposal of Personal Property as detailed in Exhibits A for NYPA and Exhibit C for Canal Corporation.

Since the full Board of Trustees last approved EAPs on March 25, 2025, good governance dictates that these revised EAPs be presented for Board approval. The Expenditure Authorization Procedures have been amended as deemed advisable and necessary as detailed in Exhibits B and B-1 for NYPA and Exhibits D and D-1 for Canal Corporation.

#### FISCAL INFORMATION

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

#### RECOMMENDATION

The Governance Committee is requested to review the respective Guidelines for Disposal of Personal Property (Exhibits "A" and "C") and Expenditure Authorization Procedures (Exhibits "B" and "D") and, if appropriate, to recommend adoption by the Boards at the meeting to be held on December 9, 2025.

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

Justin E. Driscoll

President and Chief Executive Officer

## **RESOLUTION**

RESOLVED, That pursuant to Section 2879 of the Public Authorities Law, the Governance Committee approves and recommends for adoption to the Trustees and the Canal Corporation Board of Directors, the Authority's and Canal's Guidelines for the Disposal of Personal Property, and the Authority's and Canal's Expenditure Authorization Procedures, as amended; and be it further

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

October 14, 2025

Company Policy Title:

Policy Number:

**NYPA Guidelines for the Disposal of Personal Property**

CP 3-2

Revision Date (For IBC Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
10/14/2025	8	Annual Review – No updates	N/A	Grant Johnston, Director, Transactional Procurement
10/16/2024	7	Annual Review – updated definitions, formatting and made grammatical changes.		Grant Johnston, Director, Transactional Procurement
10/17/2023	6	Annual Review – No updates	N/A	Grant Johnston, Director, Transactional Procurement
3/22/2023	5	Annual Review – No updates	N/A	Grant Johnston, Director, Transactional Procurement
3/29/2022	4	Annual Review – No updates	N/A	Kevin King, Director, Transactional Procurement
3/30/2021	3	Annual Review – No updates	N/A	Kevin King, Director, Transactional Procurement
4/6/2020	2	Update of certain organizational titles and the correction of certain inconsistencies, grammatical and otherwise based on annual review	II A, V B-F, VI A-B, VIII B, XI A-B, XII - XIV	Kevin King, Director, Transactional Procurement
3/26/2019	1	Updated definition of 'Related To'	IX. B.	Kevin King, Director, Transactional Procurement

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6/22/2020	0	Converting approved 2018 NYPA Guidelines for the Disposal of Personal Property ("Guidelines") to e-Scribe format. Per PAL §§§ 2895, 2896 and 2897, the Guidelines were adopted by resolution and are reviewed annually and approved (by the Trustees).	N/A	Kevin King, Director, Transactional Procurement
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## **I. PURPOSE**

These Guidelines for the Disposal of New York Power Authority Personal Property (hereinafter Guidelines), which comply with Title 5-A, Article 9 of the Public Authorities Law, establish the Authority's policy and instructions regarding the use, award, monitoring and reporting of the disposal of Personal Property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Authority's compliance with, and enforcement of, the Guidelines.

## **II. DEFINITIONS**

**Contracting Officer**- the officer or employee of the Authority who shall be appointed by resolution of the Authority's Board of Trustees to be responsible for the disposition of Personal Property. The "Contracting Officer" is hereby designated to be the Senior Vice President – Strategic Supply Management, or equivalent(s). The Authority's Contracting Officer shall not be responsible for compliance for dispositions of the Authority's personal property conducted by another state entity authorized to dispose of the Authority's personal property under the Public Authorities Accountability Act (PAAA) or as otherwise authorized by law.

**Dispose or disposal** - the transfer of title or any other beneficial interest in Personal Property in accordance with these Guidelines.

**DTP** – Director Transactional Procurement

**Fair Market Value** – the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair Market Value may be determined by consulting industry-recognized sources, contacting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.

**PDC** - Property Disposal Coordinator

**Personal Property**- Property owned by the Authority regardless of value, and any other interest in such Property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. For the purposes of these Guidelines, Property may include, but is not limited to, materials, tools, equipment, or vehicles.

**Relative** – any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee's grandparents or the spouse of such descendant. The term Relative may include, but is not limited to, the relationship of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew,

stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

### **III. OBJECTIVE**

The objective of these Guidelines is to identify Authority personnel responsible for authorizing the disposal of Personal Property owned by the Authority and to ensure that the Authority receives fair and reasonable value for such Property. The transfer or sale of Personal Property shall be accounted for in accordance with the Authority's Corporate Accounting Policy No. CAP 4.3 "Accounting for Materials and Supplies Inventory," and the Authority's procedures for the disposal of Personal Property implementing these Guidelines.

### **IV. TRANSACTIONS NOT COVERED**

These Guidelines do not apply to any of the following transactions:

- A. Disposal of Real Property interests;
- B. Exchange of Property with other utilities or power plant owners, where such owners will provide an identical or in-kind replacement;
- C. Transfer/re-deployment of Property from one Authority facility to another Authority facility or to Canal Corporation;
- D. Disposal of natural gas that is subject to the Authority's Energy Resource Management Fuels Procedures.

### **V. DESIGNATION OF PROPERTY DISPOSAL COORDINATORS (PDC)**

The Contracting Officer shall be responsible for the Authority's compliance with, and enforcement of, the Guidelines, including through development and implementation of internal controls (such as written procedures and supporting tools).

The individual responsible for disposal of Personal Property greater than \$5,000 at the Authority's facilities will be the Director Transactional Procurement (DTP) or equivalent. For purposes of Personal Property disposal, the DTP reports directly to the Contracting Officer or authorized designee.

The Manager - SSM Site Manager at each facility acts as the local Property Disposal Coordinator, who is responsible for Property disposal less than or equal to \$5,000 and assists the DTP with all other disposals at their facility or location (Facility PDC). The Facility PDC reports to the DTP.

The DTP shall act as the Personal Property Disposal Coordinator(s) for the White Plains and other corporate offices. For purposes of Personal Property disposal, the DTP will confer, interface with and report to the Contracting Officer or authorized designee.

The Director of Fleet Operations (DFO) or equivalent(s) or authorized designee is responsible for the disposal of vehicles and rolling equipment. The DFO reports directly to the Senior Director Asset Performance, or authorized designee.

If appropriate, the responsible Facility PDC should confer (by oral or written communication) with the DTP and should confer (by oral or written communication) with the Contracting Officer or authorized designee to determine if a "centralized" sale of Property, as outlined in Article VII, is appropriate. If agreed, the responsible Facility or DTP (collectively hereinafter referred to as PDC) should arrange for shipment of the Property to be sold from the site to the sale location. If a centralized sale is not appropriate, the responsible PDC should proceed in accordance with the "decentralized" procedures, as outlined in Article VIII.

## **VI. DISPOSAL OF AUTHORITY PERSONAL PROPERTY**

Except for Disposals pursuant to Article VII, Article XII and Subsection VI.A.4 of these Guidelines, whenever practicable, the responsible PDC shall solicit proposals from qualified bidders, to purchase the Property to be disposed of, and will maintain records of such solicitations. The PDC should use "Attachment A" attached hereto or an appropriate substitute for solicitations under this Article VI.

### **A. DISPOSAL METHODS FOR PERSONAL PROPERTY**

1. For the purposes of these Guidelines, disposal methods may include, but are not limited to: sale (directly to the Buyer, through a third party, negotiation, advertised public auction that permits full and free competition consistent with the value and nature of the Personal Property or on any other centralized basis that achieves the same level of competition); return to the original equipment manufacturer or to the source; trade-ins or disposals as part of a competitive procurement; or disposal through the New York State Office of General Services (OGS). Provided, however, that no disposition of any Personal Property, which because of its unique nature or the unique circumstance of the proposed transaction is not readily valued by reference to an active market for similar Personal Property, shall be made unless an appraisal of the value of such Personal Property has been made by an independent appraiser and included in the record of the transaction. The Authority's Environmental, Health and Safety Division should be consulted, on a case-by-case basis, regarding disposal of items that may be considered hazardous waste.

2. Personal Property valued at less than \$1,000 may be donated or, when having an estimated resale value less than the cost of handling and sale, may be disposed of as scrap or junk.
3. Solicitation via telephone, e-mail and/or direct mailings may be used where the estimated Fair Market Value of the Personal Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by this procedure and by the date and time (the Bid Due Date) included in the solicitation.
4. All Disposals of Authority Personal Property in excess of \$15,000 shall be made after publicly advertising for bids except as provided in Subsection 5 below, using the following process:
  - a) the appropriate advertisement for bids (Attachment "B" or an appropriate substitute) shall be made at such time prior to the Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Personal Property. This may include advertisements in one or more of the following publications, depending on the nature of the Personal Property: local newspapers in the geographic area of the facility where the sale is taking place, trade journals, regional or nationwide publications (if the market for such sale is regional or nationwide), the New York State Contract Reporter, internet services or other communication outlets as appropriate;
  - b) all bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by these guidelines and by the Bid Due Date included in the solicitation;
  - c) where the value of the Personal Property exceeds \$5,000, all bid amounts shall be posted to the Authority's internet website or publicly disclosed at the time and place of the sale; and
  - d) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is most advantageous to the Authority, price and other factors considered; however, any bid may be rejected when in the public interest to do so at the Authority's sole discretion.

5. Disposals of Personal Property may be negotiated or made by public auction without regard to Subsection 4 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
  - a) the Personal Property involved has qualities separate from the utilitarian purpose of such Personal Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Personal Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 4 of this Section, would adversely affect the state or local market for such Personal Property, and the estimated Fair Market Value of such Personal Property and other satisfactory terms of disposal may be obtained by negotiation;
  - b) bid prices after advertising therefore are not reasonable, either as to all or part of the Personal Property, or have not been independently arrived at in open competition;
  - c) the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Personal Property and other satisfactory terms of Disposal are obtained by negotiation;
  - d) under those circumstances permitted by Subsection 7 of this Section;
  - e) if the estimated or actual fair market value of the property does not exceed \$15,000; or
  - f) such action is otherwise authorized by law.
6. An explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Personal Property which has an estimated Fair Market Value in excess of fifteen thousand dollars (\$15,000). In addition, an explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Personal Property disposed of by exchange, regardless of value. Each such statement shall be transmitted to the Commissioner of General Services, the State Legislature, the State Comptroller, the Director of the Division of the Budget and the Authorities Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Authority's files.

7. No Personal Property in excess of five thousand dollars (\$5,000) owned or otherwise in the control of the Authority may be disposed or otherwise alienated for less than its Fair Market Value except if:
- a) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Personal Property will remain with the government or any other public entity;
  - b) the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
  - c) in the event the Authority seeks to transfer Personal Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Authority may effectuate such transfer provided, however, that with respect to a below-market transfer by the Authority that is not within the purpose, mission or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and if the transfer is of Personal Property obtained by the Authority from that political

subdivision, then such approval shall be sufficient to permit the transfer.

- d) In the event a below Fair Market Value Personal Property transfer is proposed, the following information must be provided to the Authority's Board of Trustees and the public:
  - 1) a full description of the Personal Property;
  - 2) an appraisal of the Fair Market Value of the Personal Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
  - 3) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Personal Property is situated as are required by the transfer;
  - 4) a statement of the value to be received compared to the Fair Market Value;
  - 5) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph 4 of this Subsection, a statement of the value to the private party; and
  - 6) the names of other private parties who have made an offer for such Personal Property, the value offered and the purpose for which the Personal Property was sought to be used.
- e) Before approving the Disposal of any Personal Property for less than Fair Market Value, the Board of Trustees shall consider the information described in paragraph d of this Subsection and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.



8. In cases where a Disposal of Personal Property in excess of five thousand dollars (\$5,000) is made without competitive bidding and where the proposed contract price for the Personal Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

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

The appropriate PDC shall confer with the DTP and the Contracting Officer or authorized designee to decide (i) if re-soliciting is feasible; (ii) if shipment to a third-party contractor for Disposal would result in higher-priced proposals; (iii) if disposal by other methods would be appropriate; and/or (iv) if the Fair Market Value estimate requires review or adjustment, where:

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

**VII. CENTRALIZED DISPOSAL**

A. Subject to the approval of the Contracting Officer or authorized designee and in accordance with Article VI of these Guidelines, in either the initial document authorizing the disposal or through a subsequent communication, Personal Property may be disposed of using any of the following methods:

1. Shipment of the material to a third-party vendor(s), selected by competitive bidding, which, pursuant to these Guidelines, will market the material for sale or dispose of such material in accordance with environmental and any other Authority requirements.
2. Consolidation of such Personal Property at one of the Authority's facilities or an offsite warehouse for the purpose of conducting a sale managed by Authority staff, possibly with the assistance of an outside contractor.
3. Participation in public auctions provided the advertisement for bids through such methods permits full and free competition consistent with the value and nature

of the Personal Property, as may be conducted through an independent auctioneer, online auction service, or another utility.

#### **VIII. DECENTRALIZED DISPOSAL**

A. The Regional Manager, Project Manager, or head of a Department or Division requiring disposal of Personal Property which they believe to be disposable, will submit to the responsible PDC a written description of the material, with the original price (if known), and estimate of the Personal Property's Fair Market Value (if available). If practical, a photograph of the material or equipment in question should be provided. Such submission shall be made to the responsible PDC for the location where the Personal Property is located.

B. If the responsible PDC, in conference with either the DTP or the Contracting Officer or authorized designee, as appropriate, determines that other Authority facilities may have an interest in the Personal Property, a notice should be sent to the other Authority facilities advising of its availability and requesting a response within a specified time frame. A record of the notice will be maintained by the responsible PDC. In the event that the responsible PDC and either the DTP or the Contracting Officer or authorized designee, as appropriate, determine there is no interest in such material at other Authority facilities, a written explanation should be prepared by the PDC to that effect and maintained in the file for that transaction.

C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Personal Property in accordance with these Guidelines.

#### **IX. PARTIES PROHIBITED FROM BIDDING**

A. All current and former employees of the Authority and relatives of such employees or third parties acting on behalf of such employees shall not be eligible to bid for the purchase of Authority Personal Property and are prohibited from subsequently acquiring it in any manner. Each bidder will be required, as part of their bid, to certify, by signing Attachment "A," that they are not a current or former employee of the Authority, is not related to any current or former employee of the Authority and is not acting on behalf of a current or former employee of the Authority or a relative of any such employee. No bid will be accepted unless accompanied by such certification.

B. The term "related to" as used in paragraph A above means the relationship of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

**X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT**

- A. Following the receipt of proposals for the Personal Property, the responsible PDC shall evaluate the proposals submitted and determine whether the highest of such proposals is reasonable, given the estimated Fair Market Value of the Personal Property.
- B. If the responsible PDC determines that the highest bid received is reasonable, the responsible PDC shall recommend to the Responsible Officer(s) or designee, as hereinafter defined in Article XI, that such bid be accepted, and upon the written approval of the Responsible Officer(s) or designee, the sale shall be made to the person offering such proposal. After obtaining all necessary approvals in accordance with Article XI "Authorization Levels," a Sales Agreement appended hereto (Attachment C) must be executed by the responsible Authority staff member and by the successful bidder prior to completion of the transaction. (See Section XI.C.)
- C. If either (a) the responsible PDC determines that the highest bid is not reasonable or (b) the Responsible Officer(s) or designee decline(s) to authorize the sale, the Personal Property will, except as provided in paragraph D below, be retained for future disposal in accordance with these Guidelines. Factors to be considered in determining whether a bid is reasonable include but are not limited to: adequacy of the estimate of the Fair Market Value, anticipated improved future market conditions, potential for other means of disposal or redeployment, financial viability of the bidder, and condition of the Personal Property.
- D. Notwithstanding any determination by the responsible PDC, the Responsible Officer(s) or designee, with the review and approval of the Contracting Officer, may direct the sale of the Personal Property to the person or firm submitting the highest bid.
- E. No Authority employee who is involved in the award of Authority grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- F. No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- G. No Authority employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or

more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise their supervisor of the relationship and must be recused from any and all discussions or decisions relating to the matter.

#### **XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY**

A. For the purposes of these Guidelines, the Responsible Officer(s) or designee will in each case review the appropriateness of the Fair Market Value estimate and the recommendation for contract award for disposal of the Personal Property. Responsible Officers or designee are designated as follows:

1. The Board of Trustees, if the Fair Market Value of the Personal Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6; or
2. The President or the Chief Operating Officer or equivalent(s), if the Fair Market Value of the Personal Property is up to \$1,000,000; or
3. The Executive Vice President and Chief Financial Officer or equivalent(s), if the Fair Market Value of the Personal Property is up to \$750,000; or
4. For Fleet-related transactions, the Executive Vice President – Operations or equivalent(s), if the Fair Market Value of the Personal Property is up to \$750,000; or
5. The Senior Vice President – Strategic Supply Management or equivalent(s), if the Fair Market Value of the Personal Property is up to \$500,000; or
6. For Fleet-related transactions, the Vice President – Operations or equivalent(s), if the Fair Market Value of the Personal Property is up to \$500,000; or
7. The DTP, if the Fair Market Value of the Personal Property is up to \$100,000; or
8. For Fleet-related transactions, the Director – Fleet Operations, if the Fair Market Value of the Personal Property is up to \$100,000; or
9. The responsible PDC, if the Fair Market Value of the Personal Property is \$5,000 or less.

B. For public auctions or similar centralized disposals, such authorization should be obtained prior to submitting Personal Property to auction based on the estimated Fair Market Value of the Personal Property.

1. For purposes of these Guidelines, the Director - Fleet Operations (DFO) or equivalent(s) and DTP are authorized to sign Disposal Sales Agreements based upon the provisions of Section XI.A above whereby the DFO is authorized to sign fleet-related sales agreements and the DTP may sign both fleet and non-fleet sales agreements.
2. For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI.A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures.
3. The foregoing provisions of this section shall not apply to the sale of energy and fuel. Such authorization shall be governed by the transaction authorization limits for energy and energy-related financial transactions, as adopted by the Authority's Board of Trustees.

## **XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY**

### **A. Disposals as Part of a Competitive Procurement**

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

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

For Personal Property with a Fair Market Value of \$15,000 or less, return of materials to the OEM or the source is permissible provided that the Authority receives full value for any materials equal to the price paid by the Authority or the estimated Fair Market Value of the Personal Property. In the event a re-stocking fee is charged by the OEM or the source, the DTP or the Contracting Officer or authorized designee, as appropriate, shall be consulted to determine if such a re-stocking fee is reasonable and if there are other opportunities for sale of such material. Approval of all such returns to the OEM or the source when a re-stocking fee is charged, must be in accordance with the Authorization Levels delineated in Section XI.A.

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

The Authority may utilize OGS for Disposal of Authority-owned Personal Property including on-line disposal methods offered by OGS. In addition, in accordance with New York State law, surplus computers and related accessories, surplus office furniture, and other equipment may, with the approval of the Contracting Officer or authorized designee, be transferred to OGS for disposition, in the case of computers and accessories to school districts located near Authority offices or operating facilities, or in the case of office furniture and office equipment, to other state entities. Disposal of these items in this manner represents the best value to New York State in lieu of attempted re-sale of such materials.

**XIII. METHODS OF PAYMENT**

The proceeds from the sale of Personal Property in the form of cash or a certified check made payable to the Authority must be forwarded to the Authority's Treasurer by the Facility PDCs and to the Authority's Controller's Office by the DTP.. In certain cases, involving a transfer of Personal Property to other state agencies or authorities, the performance of documented services to the Authority equal to or greater in value to the Fair Market Value of the Personal Property, will serve as payment for such Personal Property. The authorization limits of Article XI shall apply to such transactions.

**XIV. REPORTING REQUIREMENTS**

- A. The Authority shall publish, not less frequently than annually, a report of all Personal Property having a FMV in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Personal Property disposed of by the Authority during such period. Such report shall be prepared in conjunction with the report required by the Authority's "Guidelines for the Disposal of New York Power Authority Real Property."
- B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.
- C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Authority's Board of Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.
- D. An explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.6 for the disposal by negotiation of Personal Property over \$15,000 or when real

property and related Personal Property are disposed of by exchange, regardless of value. Property of any value related to the disposal of Real Property by exchange, or where part of the consideration received is real property.

- E. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of Personal Property at regularly scheduled Board of Trustee Governance Committee meetings.

The Authority may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Personal Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System (PARIS).

**BID SHEET**

The following personal property is available for sale "AS IS, WHERE IS" and the Power Authority gives no warranty whatsoever as to its condition.

LUMP SUM BID AMOUNT\* \$ \_\_\_\_\_

Subject to all terms and conditions set forth on the reverse hereof, the undersigned offers and agrees to purchase the above-described personal property at the bid amount indicated.

---

Signature

---

Company Name

---

Name (printed)

---

Street Address

---

Date

---

City, State Zip Code

---

Fax Number

---

Telephone Number

\* All sales are subject to New York State Sales Tax and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.



**PERSONAL PROPERTY SALE**  
**SALE NO. \_\_\_\_\_**  
**NEW YORK POWER AUTHORITY**  
**(ADDRESS OF PROJECT)**  
**Telephone: ( ) \_\_\_\_\_**  
**FAX: ( ) \_\_\_\_\_**

Subject to the terms and conditions stated below, bids will be received on the Personal Property, either by mail, fax or hand delivery at the (Location) \_\_\_\_\_ no later than (Date) \_\_\_\_\_

The Personal Property is available for inspection, by appointment, at the (Project) \_\_\_\_\_. For an appointment, please contact the Property Disposal Coordinator, (Name) \_\_\_\_\_ at (Telephone no.) \_\_\_\_\_.

Successful bidders will be required to pay by certified check, on notice from the Authority that the bid has been accepted and remove the Personal Property from the Authority's premises within ten (10) calendar days after receipt of notice of award.

Envelopes containing bids submitted by mail should be marked on the outside to indicate that a bid on Sale No. \_\_\_\_\_ is enclosed.

Current and former employees of the Power Authority or relatives of such employees or third parties acting on behalf of such employees or relatives are ineligible to bid and are prohibited from subsequently acquiring such Personal Property in any manner.

1. **INSPECTION.** Bidders are invited, urged and cautioned to inspect the Personal Property being sold prior to submitting a bid. The Personal Property will be available for inspection at the time and place specified above. In no case will failure to inspect constitute grounds for the withdrawal of a bid after opening.
2. **CONDITION OF PROPERTY.** All Personal Property listed is offered for sale "AS IS, WHERE IS". The Authority does not in any way warrant the fitness of the personal property for any particular use or its merchantability and disclaims any other representations or warranties, express or implied, including, but not limited to, quality, character, performance or condition of the Personal Property or any of its component parts, assemblies, or accessories.
3. **CONSIDERATION OF BIDS.** Bids must be submitted in writing on the form provided by the Authority (see reverse side) and shall be submitted on all items listed. The Authority reserves the right to reject any and all bids, to waive technical defects in bids and to award sale of the items as may be in the best interest of the Authority.
4. **PAYMENT.** The Purchaser agrees to pay for the awarded Personal Property in accordance with the prices quoted in his/her bid. Payment of the full purchase price must be made within the time allowed for removal, and prior to the release of any Personal Property to the Purchaser.
5. **NEW YORK STATE SALES AND COMPENSATING USE TAX.** All sales will be subject to New York State Sales and Compensating Use Tax unless the Purchaser furnishes the Authority with an exemption certificate.

**ADVERTISEMENT FOR PROPOSALS**

The following described personal property shall be sold "AS IS, WHERE IS" by the New York Power Authority ("the Authority").

1. Sealed bids are invited for the above, which will be available for inspection by inquiry at the (Location/Building) at the (Project and Address) between the hours of \_\_\_\_ a.m. to \_\_\_\_ p.m. on (Date/s). Bids must be submitted on the Authority's bid form, which can be obtained by calling (Telephone no.). No bid will be accepted unless it is on such form. Bids shall be accepted on or before \_\_\_\_ p.m. on (Date).
2. Current and former employees of the Authority or relatives of such employees or third parties seeking to act on behalf of such employees or relatives shall be ineligible to bid.
3. Successful bidders, on notice from the Authority, shall be required to pay by certified check and shall promptly remove the Personal Property from the Authority's property.
4. The Authority reserves the right to reject any and all bids.

**PERSONAL PROPERTY  
SALES AGREEMENT**

\_\_\_\_\_, the Buyer, and the Power Authority of the State of New York ("the Authority"), agree as follows:

1. The Personal Property identified herein is sold by the Authority and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
2. **THE AUTHORITY DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
3. The Buyer warrants that he/she/it is not a current or former Authority employee, is not related to an Authority employee, and did not bid on behalf of an Authority employee. Buyer is aware that Authority employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father in law, sister-in-law, brother in law, daughter-in-law, or son-in-law. The Authority reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of their warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
4. The Buyer shall indemnify and hold harmless the Authority and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the Authority and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.
5. Except for disposals by public auction, the Buyer shall remove the Personal Property from the Authority's premises by \_\_\_\_\_ at Buyer's expense. The Buyer shall make payment by certified check payable to the New York Power Authority, prior to removal of property.

**Description of Personal Property:**

Selling Price: \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

**Buyer** (print or type)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Seller:**

Power Authority of the State of New York

123 Main Street

White Plains, NY 10601

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Full Name (printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**PRIVACY LAW NOTIFICATION**

**SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF AUTHORITY PROPERTY.**

*This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the Power Authority of the State of New York in the sale of Authority personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).*

*Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Authority.*

*This information will be maintained by Fleet Operations, at the Power Authority of the State of New York, Clark Energy Center located at 6520 Glass Factory Road, Marcy, N.Y. 13403, (315) 724-8186 or, when appropriate, by the Procurement Department at the Corporate office or at one of the Authority facilities.*

Exhibit B

October 14, 2025

Company Policy Title:

Policy Number:



## NYPA Expenditure Authorization Procedures

CP 3-3

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
10/14/2025	<u>7</u>	<u>Addition of Regional Construction Manager and Vice President - SSM titles</u>	<u>Pages 2, 3, 4, 5</u>	John Canale, Senior Vice President, Strategic Supply Management
10/16/2024	6	Changes to values associated with titles on "Approval Limits for Requisitions for Solicitation" and clarification of footnotes; Insertion of new chart for "Approval Limits for Purchase Order Releases and Change Orders"; Changes to values associated with titles on "Approval of Award by Contract Value" and clarification of footnotes; Title changes and clarification footnote added to "Limits for Execution (Signature Authority) of Contract Documents"	Pages 2, 3, 4, 5	John Canale, Senior Vice President, Strategic Supply Management
10/10/2023	5	Clarifications in footnotes; clarifications to contract types on Limits for Execution (signature authority) of Contract Documents; establishment of effective date; update to SVP, SSM's title	Pages 1, 2, 4	John Canale, Senior Vice President, Strategic Supply Management
3/22/2023	4	Per the By-Laws of the Power Authority of the State of New York, Article VII, Section 5, the EAPs were adopted by resolution and are reviewed annually and approved (by the Trustees). Updates proposed for adjustments to authorization limits and titles, removal of definitions and removal of Change		John Canale, Vice President, Strategic Supply Management

		Order Approval and Rebidding Thresholds and miscellaneous clarifications.		
3/29/2022	3	Per the By-Laws of the Power Authority of the State of New York, Article VII, Section 5, the EAPs were adopted by resolution and are reviewed annually and approved (by the Trustees). Updates proposed for adjustments to authorization limits and titles, delegation by VP, SSM, and miscellaneous clarifications.		John Canale, Vice President, Strategic Supply Management
3/30/2021	2	Per the By-Laws of the Power Authority of the State of New York, Article VII, Section 5, the EAPs were adopted by resolution and are reviewed annually and approved (by the Trustees). Updates proposed for adjustments to authorization limits and titles.		John Canale, Vice President, Strategic Supply Management
5/31/2019	1	Per the By-Laws of the Power Authority of the State of New York, Article VII, Section 5, the EAPs were adopted by resolution and are reviewed annually and approved (by the Trustees). Updates proposed for clarity and ease of use.		Diane Gil, Senior Director, Procurement Governance & Analytics Center of Excellence
3/27/2018	0	Converting approved 2018 NYPA Expenditure Authorization Procedures ("EAP's") to e-scribe format. Per the By-Laws of the Power Authority of the State of New York, Article VII, Section 5, the EAPs were adopted by resolution and are reviewed annually and approved (by the Trustees).	N/A	Diane Gil, Senior Director, Procurement Governance & Analytics Center of Excellence

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**EXPENDITURE AUTHORIZATION PROCEDURES**

**1. Purpose**

These Expenditure Authorization Procedures (“EAPs”) set forth the policy of the New York Power Authority (“NYPA”) regarding approval authority applicable to requisitions for Procurement and Non-Procurement Contracts and the execution of contract documents. These EAPs govern purchasing activities as defined in NYPA’s Guidelines for Procurement Contracts (“Procurement Guidelines”). Certain contracts such as financial contracts, fuel contracts and contracts concerning the sale of energy are not covered under these EAPs.

**2. Definitions**

For a more detailed and full listing of definitions, please refer to the Procurement Guidelines.

- A. “**Procurement Contracts**” are fully defined in the Procurement Guidelines.
- B. “**Competitive**” includes awards made on the basis of low bidder, best value, Office of General Services (OGS), General Services Administration (GSA), cooperative agreements, or any other method where multiple proposals were solicited.
- C. “**Non-competitive**” refers to a procurement in which a contract award is not made on the basis of a Competitive procurement.

**3. Notes**

All values, as shown, are “Less than”, unless otherwise stated.  
Values shown as “>” are “greater than or equal to”.  
These Expenditure Authorization Procedures shall become effective as of January 1, 2026.

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	Approval limits - Requisition for solicitation <sup>(1)</sup>			
	Personal Services		All other Contracts	
	Non-competitive	Competitive	Non-competitive	Competitive
First line supervisor Engineer			5,000	5,000
Senior Engineer			25,000	25,000
Manager	25,000	50,000	50,000	100,000
Senior Manager Project Manager Program Manager <a href="#">Regional Construction Manager</a>	50,000	100,000	250,000	500,000
Director	50,000	100,000	1,000,000	2,000,000
Senior Director Superintendent	250,000	500,000	1,000,000	3,000,000
Vice President <i>or higher</i> Controller Sr Advisor, Asset Strategy	>250,000	>500,000	>1,000,000	>3,000,000

<sup>(1)</sup> Does not include Purchase Requisitions for Purchase Order Releases or Change Orders.

	Approval limits - Requisition for Purchase Order Releases and Change Orders <sup>(1)</sup> , <sup>(2)</sup> , <sup>(3)</sup>			
	Personal Services		All other Contracts	
	Non-competitive	Competitive	Non-competitive	Competitive
First line supervisor Engineer			5,000	5,000
Senior Engineer			25,000	25,000
Manager	25,000	50,000	50,000	100,000
Senior Manager Project Manager Program Manager <a href="#">Regional Construction Manager</a>	50,000	100,000	250,000	500,000
Director	50,000	100,000	1,000,000	2,000,000
Senior Director Superintendent	250,000	500,000	1,000,000	3,000,000
Vice President Controller Sr Advisor, Asset Strategy	500,000	1,000,000	1,000,000	3,000,000
Senior Vice President Regional Manager & SVP	750,000	3,000,000	1,000,000	5,000,000
CFO <sup>(4)</sup> - <b>AND</b> - one of the following: President COO Executive Vice President SVP reporting directly to President	>750,000	>3,000,000	>1,000,000	>5,000,000

(1)

Requisitions for Change Orders that increase the value of a Purchase Order Release or contract must be approved based upon the proposed new value of the Purchase Order Release or contract (or the aggregate value in the case of multiple awards).

(2)

Additional approvals may be necessary per Finance Committee rules and/or Section 7 of the Guidelines for Procurement Contracts.

(3)

This includes requisitions for direct Purchase Order Releases and requisitions for a mini bid which will result in a Purchase Order Release

(4)

Dual authorization is required at this level

	Approval for Award by Contract Value <sup>(1)</sup>			
	Personal Services		All other Contracts	
	Non-competitive <sup>(2), (3)</sup>	Competitive	Non-competitive <sup>(2), (3)</sup>	Competitive
First line supervisor Engineer			5,000	5,000
Senior Engineer			25,000	25,000
Manager	25,000	50,000	50,000	100,000
Senior Manager Project Manager Program Manager <a href="#">Regional Construction Manager</a>	50,000	100,000	250,000	500,000
Director	50,000	100,000	1,000,000	2,000,000
Senior Director Superintendent	250,000	500,000	1,000,000	3,000,000
Vice President Controller Sr Advisor, Asset Strategy	500,000	1,000,000	1,000,000	3,000,000
Senior Vice President Regional Manager & SVP	750,000	3,000,000	1,000,000	5,000,000
CFO <sup>(4)</sup> - <b>AND</b> - one of the following: President COO Executive Vice President SVP reporting directly to President	1,000,000	10,000,000	10,000,000	10,000,000
Trustees	> 1,000,000 - OR - term > 1 year	> 10,000,000 - OR - term > 1 year	> 10,000,000 for all awards - OR - term > 1 year for services <sup>(5)</sup>	> 10,000,000 for all awards - OR - term > 1 year for services <sup>(5)</sup>

<sup>(1)</sup> This chart is for Recommendation for Award memos and Trustee submissions.

<sup>(2)</sup> All non-competitive contract awards, excluding non-procurements, require approval by the SSM Dept Head.

<sup>(3)</sup> Non-competitive contracts valued or estimated at \$1 million or greater require review for approval by the NYS Comptroller prior to award.

<sup>(4)</sup> Dual authorization is required at this level.

<sup>(5)</sup> Services are Personal Services, Non-Personal Services and Construction.

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Limits for Execution (Signature Authority) of Contract Documents <sup>(1)</sup>			
(7) Purchase Orders Value Contracts Change Orders Purchase Order Releases	Operating Facilities	Facility Purchasing Staff	
		Fleet Clerk	5,000
		Site Buyer	25,000
		Senior Site Buyer	50,000
	Headquarters	Site Manager	250,000
		Strategic / Transactional Buyer - SSM <sup>(2)</sup>	50,000
		Senior Strategic Buyer - SSM	250,000
		Category Manager - SSM	
		Senior Category Manager - SSM	500,000
		Director - SSM	750,000
		Senior Director - SSM	1,000,000
		<a href="#">Vice President - SSM</a>	<a href="#">3,000,000</a>
		SSM Dept Head <sup>(4) (6)</sup>	25,000,000
		President	
		Chief Operating Officer	> 25,000,000
		Chief Financial Officer	
Customer Project Agreement <sup>(3)</sup>		VP, Operations	
		SVP, Operations	3,000,000
		EVP	
		Chief Operating Officer	> 3,000,000
Customer Agreement Ongoing Revenue <sup>(5)</sup>		VP, Operations	
		SVP, Operations	3,000,000
		EVP	
		Chief Operating Officer	> 3,000,000

<sup>(1)</sup> All delegations of authority must be in writing.

<sup>(2)</sup> Strategic Supply Management (SSM).

<sup>(3)</sup> Customer Project Agreement - These authorizations apply to the Customer Installation Commitments, Customer Project Commitments, Master Energy Agreement Task Orders, Power Proceeds Awards, Industrial Incentive Awards and/or similar Customer agreement initiating a project, and the settlement of such Customer projects. Authorization applies to any Senior Vice President (SVP) in Operations.

<sup>(4)</sup> Certain contract documents, specifically Letters of Intent, Notices to Proceed, Non-Disclosure Agreements and Master Cost Recovery Agreements, require the authorization of the SSM Dept Head.

<sup>(5)</sup> Customer Agreement Ongoing Revenue – These authorizations apply to Customer Power Sales and similar or supporting agreements with ongoing revenues to NYPA. RNY Agreements associated with allocations approved by Trustees to be executed by SVP, Operations. Applies to Customer Agreements not subject to PAL 1009. Authorization applies to any SVP in Operations.

<sup>(6)</sup> NOTE: Execution of agreements falling within the signing authority of the SSM Dept Head, not limited to those listed herein, may be delegated for limited periods of time at the SSM Dept Head’s discretion.

<sup>(7)</sup> Purchase Orders, Value Contracts, Change Orders and Purchase Order Releases are signed at face value.

October 14, 2025

Company Policy Title:

Policy Number:

25-6-02C



## Guidelines for the Disposal of Canal Corporation Personal Property

Revision Date (For IBC Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
10/14/2025	6	Annual Review – No updates	N/A	Grant Johnston Director Transactional Procurement
10/16/2024	5	Annual Review – updated definitions, formatting and made grammatical changes.	N/A	Grant Johnston Director Transactional Procurement
3/29/2022	4	Annual review and approval pursuant to PAL 2896	N/A	Kevin King Director Transactional Procurement
3/30/2021	3	Annual review and approval pursuant to PAL 2896	N/A	Kevin King Director Transactional Procurement
3/31/2020	2	Update of certain organizational titles and the correction of certain inconsistencies, grammatical and otherwise	4.1 F-G, 4.7 2-3	Kevin King Director Transactional Procurement
12/1/2018	1	Added Definition of Discarded Property; Added Personal Property Discarded by the Corporation; Revised Violations Section	3 4.6 5	Kevin King Director Transactional Procurement
11/15/2018	0	Original Issue	N/A	Kevin King Director Transactional Procurement

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Effective: January 1, 2026

## I. PURPOSE

These Guidelines for the Disposal of Canal Corporation ("Corporation") Personal Property (hereinafter Guidelines), which comply with Title 5-A, Article 9 of the Public Authorities Law, establish the Corporation's policy and instructions regarding the use, award, monitoring and reporting of the disposal of Personal Property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Guidelines.

Powers and duties relating to the New York State Canal System, which were transferred to and merged with the New York Power Authority pursuant to Canal Law Article 1-A, may be exercised by the Authority directly or through the Corporation.

## II. DEFINITIONS

**Abandoned, Lost or Found Personal Property** - Personal Property that remains unclaimed after notification to an owner, if known, and/or after being held for the required holding periods as prescribed by law. This includes all lost or mislaid property found on Corporation property/premises, as well as property which is knowingly abandoned.

**Authority** - Power Authority of the State of New York

**Contracting Officer**- the officer or employee of the Authority who shall be appointed by resolution of the Authority's Board of Trustees to be responsible for the disposition of Personal Property. The "Contracting Officer" is hereby designated to be the Senior Vice President – Strategic Supply Management, or equivalent(s). The Authority's/Corporation's Contracting Officer shall not be responsible for compliance for dispositions of the Authority's/Corporation's personal property conducted by another state entity authorized to dispose of the Authority's/Corporation's personal property under the Public Authorities Accountability Act (PAAA) or as otherwise authorized by law.

**Corporation** – The Canal Corporation

**Discarded Property** - Personal Property of the Corporation, or other personal property that has come into the Corporation's possession, that the Corporation has discarded, or designated to be discarded, as scrap or junk.

**Dispose or disposal** - the transfer of title or any other beneficial interest in Personal Property in accordance with these Guidelines.

**Fair Market Value** – the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and under similar circumstances. Fair Market Value may be determined by consulting industry-recognized sources, contacting original suppliers, depreciation analysis, appraisals, fair market valuations by

public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.

**PAL** – Public Authorities Law

**PDC** - Property Disposal Coordinator

**Personal Property**- Property owned by the Corporation regardless of value, and any other interest in such Property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. For the purposes of these Guidelines, Property may include, but is not limited to, materials, tools, equipment, or vehicles.

**Relative** – any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant. The term Relative may include, but is not limited to, the relationship of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

### **III. OBJECTIVE**

The objective of these Guidelines is to identify Corporation personnel responsible for authorizing the disposal of Personal Property owned by the Corporation and to ensure that the Corporation receives fair and reasonable value for such Personal Property.

### **IV. TRANSACTIONS NOT COVERED**

These Guidelines do not apply to any of the following transactions:

- A. Disposal of Real Property interests;
- B. Transfer/re-deployment of Property from one Corporation facility to another Corporation facility or to The Authority;

### **V. DESIGNATION OF PROPERTY DISPOSAL COORDINATORS (PDC)**

- A. The Contracting Officer shall be responsible for the Corporation's compliance with, and enforcement of, the Guidelines, including through development and implementation of internal controls (such as written procedures and supporting tools).
- B. The Director of Transactional Procurement and the Director of Fleet & Marine Equipment Management or equivalent(s) or authorized designee are the Property Disposal Coordinators, responsible for all Corporation Personal Property disposals including but not limited to; the



disposal of vehicles, vessels, and other equipment.

C. If appropriate, the responsible PDC should confer (by oral or written communication) with the DTP and should confer (by oral or written communication) with the Contracting Officer or authorized designee to determine if a "centralized" sale of Property, as outlined in Article VI, is appropriate. If agreed, the responsible PDC (collectively hereinafter referred to as PDC) should arrange for shipment of the Property to be sold from the site to the sale location. If a centralized sale is not appropriate, the responsible PDC should proceed in accordance with the "decentralized" procedures, as outlined in Article VII.

## **VI. DISPOSAL OF CORPORATION PERSONAL PROPERTY**

Except for Disposals pursuant to Article XI of these Guidelines, whenever practicable, the responsible PDC shall solicit proposals from qualified bidders, to purchase the Property to be disposed of, and will maintain records of such solicitations. The PDC should use "Attachment A" attached hereto or an appropriate substitute for solicitations under this Article VI.

### **A. DISPOSAL METHODS FOR PERSONAL PROPERTY**

- 1) For the purposes of these Guidelines, disposal methods may include, but are not limited to: sale (directly to the Buyer, through a third party, negotiation, advertised public auction that permits full and free competition consistent with the value and nature of the Personal Property or on any other centralized basis that achieves the same level of competition); return to the original equipment manufacturer or to the source; trade-ins or disposals as part of a competitive procurement; or disposal through the New York State Office of General Services (OGS). Provided, however, that no disposition of any Personal Property, which because of its unique nature or the unique circumstance of the proposed transaction is not readily valued by reference to an active market for similar Personal Property, shall be made unless an appraisal of the value of such Personal Property has been made by an independent appraiser and included in the record of the transaction. The Corporation's Environmental, Health and Safety Division should be consulted, on a case-

by-case basis, regarding disposal of items that may be considered hazardous waste.

- 2) Personal Property valued at less than \$1,000 may be donated or, when having an estimated resale value less than the cost of handling and sale, may be disposed of as scrap or junk.
- 3) Solicitation via telephone, e-mail and/or direct mailings may be used where the estimated Fair Market Value of the Personal Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by this procedure and by the date and time (the Bid Due Date) included in the solicitation.
- 4) All Disposals of Corporation Personal Property in excess of \$15,000 shall be made after publicly advertising for bids except as provided in Subsection 5 below, using the following process:
  - a) the appropriate advertisement for bids (Attachment "B" or an appropriate substitute) shall be made at such time prior to the Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Personal Property. This may include advertisements in one or more of the following publications, depending on the nature of the Personal Property: local newspapers in the geographic area of the facility where the sale is taking place, trade journals, regional or nationwide publications (if the market for such sale is regional or nationwide), the New York State Contract Reporter, internet services or other communication outlets as appropriate;
  - b) all bids must be submitted in writing on the forms or an appropriate substitute and in the manner prescribed by these guidelines and by the Bid Due Date included in the solicitation;
  - c) where the value of the Personal Property exceeds \$5,000, all bid amounts shall be posted to the Corporation's internet website or publicly disclosed at the time and place of the sale; and
  - d) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforms to the bid solicitation and is

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

- 5) Disposals of Personal Property may be negotiated or made by public auction without regard to Subsection 4 of this Section, but subject to obtaining such competition as is feasible under the circumstances, if:
  - a) the Personal Property involved has qualities separate from the utilitarian purpose of such Personal Property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect that would tend to increase its value, or if the Personal Property is to be disposed of in such quantity that, if it were Disposed of under Subsection 4 of this Section, would adversely affect the state or local market for such Personal Property, and the estimated Fair Market Value of such Personal Property and other satisfactory terms of disposal may be obtained by negotiation;
  - b) bid prices after advertising therefore are not reasonable, either as to all or part of the Personal Property, or have not been independently arrived at in open competition;
  - c) the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Personal Property and other satisfactory terms of Disposal are obtained by negotiation;
  - d) under those circumstances permitted by Subsection 7 of this Section;
  - e) if the estimated or actual fair market value of the property does not exceed \$15,000; or
  - f) such action is otherwise authorized by law.
- 6) An explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Personal Property which has an estimated Fair Market Value in excess of fifteen thousand dollars (\$15,000). In addition, an explanatory statement shall be prepared of the circumstances of each Disposal by negotiation of any Personal Property disposed of by exchange, regardless of value. Each such statement shall be transmitted to the Commissioner of General Services, the State Legislature, the State Comptroller, the Director of the Division of the Budget and the Authorities

Budget Office, not less than ninety days in advance of such Disposal, and a copy thereof shall be preserved in the Corporation's files.

- 7) No Personal Property in excess of five thousand dollars (\$5,000) owned or otherwise in the control of the Corporation may be disposed or otherwise alienated for less than its Fair Market Value except if:
  - a) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Personal Property will remain with the government or any other public entity;
  - b) the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
  - c) in the event the Corporation seeks to transfer Personal Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate and Assembly, the Corporation may effectuate such transfer provided, however, that with respect to a below-market transfer by the Corporation that is not within the purpose, mission or governing statute of the Corporation, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Corporation resides, and if the

transfer is of Personal Property obtained by the Corporation from that political subdivision, then such approval shall be sufficient to permit the transfer.

- d) In the event a below Fair Market Value Personal Property transfer is proposed, the following information must be provided to the Corporation's Board of Trustees and the public:
    - (1) a full description of the Personal Property;
    - (2) an appraisal of the Fair Market Value of the Personal Property and any other information establishing the Fair Market Value sought by the Board of Trustees;
    - (3) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Personal Property is situated as are required by the transfer;
    - (4) a statement of the value to be received compared to the Fair Market Value;
    - (5) the names of any private parties participating in the transfer and, if different than the statement required by subparagraph 4 of this Subsection, a statement of the value to the private party; and
    - (6) the names of other private parties who have made an offer for such Personal Property, the value offered and the purpose for which the Personal Property was sought to be used.
  - e) Before approving the Disposal of any Personal Property for less than Fair Market Value, the Board of Trustees shall consider the information described in paragraph d of this Subsection and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.
- 8) In cases where a Disposal of Personal Property in excess of five thousand dollars (\$5,000) is made without competitive bidding and where the proposed contract price for the Personal Property disposed of is less than Fair Market Value, a detailed explanation of the justification for making

the Disposal without competitive bidding shall be prepared, and a certification shall be signed by the Chief Executive Officer and Chief Financial Officer of the Authority stating that they have reviewed the terms of such Disposal and have determined that it complies with applicable law and these Guidelines.

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

The appropriate PDC shall confer with the DTP and the Contracting Officer or authorized designee to decide (i) if re-soliciting is feasible; (ii) if shipment to a third-party contractor for Disposal would result in higher-priced proposals; (iii) if disposal by other methods would be appropriate; and/or (iv) if the Fair Market Value estimate requires review or adjustment, where:

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

**VII. CENTRALIZED DISPOSAL**

A. Subject to the approval of the Contracting Officer or authorized designee and in accordance with Article VI of these Guidelines, in either the initial document authorizing the disposal or through a subsequent communication, Personal Property may be disposed of using any of the following methods:

- 1) Shipment of the material to a third-party vendor(s), selected by competitive bidding, which, pursuant to these Guidelines, will market the material for sale or dispose of such material in accordance with environmental and any other Corporation requirements.
- 2) Consolidation of such Personal Property at one of the Corporations facilities or an offsite warehouse for the purpose of conducting a sale managed by Corporation staff, possibly with the assistance of an outside contractor.
- 3) Participation in public auctions provided the advertisement for bids through such methods permits full and free competition consistent with

the value and nature of the Personal Property, as may be conducted through an independent auctioneer, online auction service, or another utility.

#### **VIII. DECENTRALIZED DISPOSAL**

A. The Regional Manager, Section Superintendent or head of a Department or Division requiring disposal of Personal Property which they believe to be disposable, will submit to the responsible PDC a written description of the material, with the original price (if known), and estimate of the Personal Property's Fair Market Value (if available). If practical, a photograph of the material or equipment in question should be provided. Such submission shall be made to the responsible PDC for the location where the Personal Property is located.

B. If the responsible PDC, in conference with either the DTP or the Contracting Officer or authorized designee, as appropriate, determines that other Corporation facilities may have an interest in the Personal Property, a notice should be sent to the other Corporation facilities advising of its availability and requesting a response within a specified time frame. A record of the notice will be maintained by the responsible PDC. In the event that the responsible PDC and either the DTP or the Contracting Officer or authorized designee, as appropriate, determine there is no interest in such material at other Corporation facilities, a written explanation should be prepared by the PDC to that effect and maintained in the file for that transaction.

C. If no response to the notice is received, the responsible PDC will solicit bids for the purchase of such Personal Property in accordance with these Guidelines.

#### **IX. PARTIES PROHIBITED FROM BIDDING**

A. All current and former employees of the Corporation and relatives of such employees or third parties acting on behalf of such employees shall not be eligible to bid for the purchase of Corporation Personal Property and are prohibited from subsequently acquiring it in any manner. Each bidder will be required, as part of their bid, to certify, by signing Attachment "A," that they are not a current or former employee of the Corporation, is not related to any current or former employee of the Corporation and is not acting on behalf of a current or former employee of the Corporation or a relative of any such employee. No bid will be accepted unless accompanied by such certification.

B. The term "related to" as used in paragraph A above means the relationship of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

#### **X. EVALUATION OF PROPOSALS; AWARD OF CONTRACT**

A. Following the receipt of proposals for the Personal Property, the responsible PDC shall

evaluate the proposals submitted and determine whether the highest of such proposals is reasonable, given the estimated Fair Market Value of the Personal Property.

B. If the responsible PDC determines that the highest bid received is reasonable, the responsible PDC shall recommend to the Responsible Officer(s) or designee, as hereinafter defined in Article XI, that such bid be accepted, and upon the written approval of the Responsible Officer(s) or designee, the sale shall be made to the person offering such proposal. After obtaining all necessary approvals in accordance with Article X "Authorization Levels," a Sales Agreement appended hereto (Attachment C) must be executed by the responsible Corporation staff member and by the successful bidder prior to completion of the transaction. (See Section XI.C)

C. If either (a) the responsible PDC determines that the highest bid is not reasonable or (b) the Responsible Officer(s) or designee decline(s) to authorize the sale, the Personal Property will, except as provided in paragraph D below, be retained for future disposal in accordance with these Guidelines. Factors to be considered in determining whether a bid is reasonable include but are not limited to: adequacy of the estimate of the Fair Market Value, anticipated improved future market conditions, potential for other means of disposal or redeployment, financial viability of the bidder, and condition of the Personal Property.

D. Notwithstanding any determination by the responsible PDC, the Responsible Officer(s) or designee, with the review and approval of the Contracting Officer, may direct the sale of the Personal Property to the person or firm submitting the highest bid.

E. No Corporation employee who is involved in the award of Corporation grants or contracts, may ask any officer, director or employee of such current or prospective contractor or grantee to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

F. No Corporation employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section E above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.

G. No Corporation employee may take part in any contracting decision involving the payment of \$1,000 or more: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If a contracting matter arises relating to this Section G, then the employee must advise their supervisor of the relationship and must be recused from any and all discussions or



decisions relating to the matter.

**XI. AUTHORIZATION LEVELS AND SIGNING AUTHORITY**

A. For the purposes of these Guidelines, the Responsible Officer(s) or designee will in each case review the appropriateness of the Fair Market Value estimate and the recommendation for contract award for disposal of the Personal Property. Responsible Officers or designee are designated as follows:

- 1) The Board of Trustees, if the Fair Market Value of the Personal Property is greater than \$1,000,000 or if the Disposal is for less than Fair Market Value in accordance with paragraph VI.A.6 or
- 2) The President or the Chief Operating Officer or equivalent(s), if the Fair Market Value of the Personal Property is up to \$1,000,000; or
- 3) The Executive Vice President and Chief Financial Officer or equivalent(s), if the Fair Market Value of the Personal Property is up to \$750,000; or
- 4) For Fleet-related transactions, the Executive Vice President – Operations or equivalent(s), if the Fair Market Value of the Personal Property is up to \$750,000; or
- 5) The Senior Vice President – Strategic Supply Management or equivalent(s), if the Fair Market Value of the Personal Property is up to \$500,000; or
- 6) For Fleet-related transactions, the Vice President – Operations or equivalent(s), if the Fair Market Value of the Personal Property is up to \$500,000; or
- 7) The Director of Transactional Procurement or the Director Fleet & Marine Equipment Management, if the Fair Market Value of the Personal Property is up to \$100,000.

B. For public auctions or similar centralized disposals, such authorization should be obtained prior to submitting Personal Property to auction based on the estimated Fair Market Value of the Personal Property.

- 1) For purposes of these Guidelines, the Director Fleet & Marine Equipment Management or equivalent(s) and Director of Transactional Procurement

are authorized to sign Disposal Sales Agreements based upon the provisions of Section XI. A.

- 2) For decentralized disposals, such authorization should be obtained prior to signing of Sales Agreement or award of contract, in accordance with the Authorization Levels set forth in Section XI. A. Sales Agreements for individual disposal transactions through a decentralized sale should be signed in accordance with the limits set forth in the Authority's Expenditure Authorization Procedures.

## **XII. OTHER METHODS FOR DISPOSAL OF PERSONAL PROPERTY**

### **A. Disposals as Part of a Competitive Procurement**

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

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

For Personal Property with a Fair Market Value of \$15,000 or less, return of materials to the OEM or the source is permissible provided that the Corporation receives full value for any materials equal to the price paid by the Corporation or the estimated Fair Market Value of the Personal Property. In the event a re-stocking fee is charged by the OEM or the source, the DTP or the Contracting Officer or authorized designee, as appropriate, shall be consulted to determine if such a re-stocking fee is reasonable and if there are other opportunities for sale of such material. Approval of all such returns to the OEM or the source when a re-stocking fee is charged, must be in accordance with the Authorization Levels delineated in Section XI.A.

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

The Corporation may utilize OGS for Disposal of Corporation-owned Personal Property including on-line disposal methods offered by OGS. In addition, in accordance with New York State law, surplus computers and related accessories, surplus office furniture, and other equipment may, with the approval of the Contracting Officer or authorized designee, be transferred to OGS for disposition, in the case of computers and accessories to school districts located near Corporation

offices or operating facilities, or in the case of office furniture and office equipment, to other state entities. Disposal of these items in this manner represents the best value to New York State in lieu of attempted re-sale of such materials.

### **XIII. METHODS OF PAYMENT**

The proceeds from the sale of Personal Property in the form of cash or a certified check made payable to the Corporation must be forwarded to the Corporation's Treasurer by the Facility PDCs and to the Corporation's Controller's Office by the DTP. In certain cases, involving a transfer of Personal Property to other state agencies or authorities, the performance of documented services to the Corporation equal to or greater in value to the Fair Market Value of the Personal Property, will serve as payment for such Personal Property. The authorization limits of Article XI shall apply to such transactions.

### **XIV. REPORTING REQUIREMENTS**

A. The Corporation shall publish, not less frequently than annually, a report of all Personal Property having a FMV in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Personal Property disposed of by the Corporation during such period. Such report shall be prepared in conjunction with the report required by the Corporation's "Guidelines for the Disposal of New York Power Authority Real Property."

B. Such report, as approved by the Board of Trustees, shall be submitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the Authorities Budget Office.

C. These Guidelines, as approved by the Trustees, shall be reviewed and approved annually by the Board of Trustees. On or before the thirty-first day of March in each year, the Corporation shall file with the State Comptroller a copy of the Guidelines most recently reviewed and approved by the Board of Trustees, including the name of the Corporation's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Corporation shall also post such Guidelines on the Corporation's internet website and maintain such Guidelines on the website.

D. An explanatory statement shall be prepared and submitted to the parties as set forth in Subsection VI.A.6 for the disposal by negotiation of Personal Property over \$15,000 or when real property and related Personal Property are disposed of by exchange, regardless of value. Property of any value related to the disposal of Real Property by exchange, or where part of the consideration received is real property.

E. Staff from the Business Services Business Unit, or equivalent(s), prepare and present ongoing reports regarding disposals of Personal Property at regularly scheduled Board of

Trustee Governance Committee meetings.

The Corporation may be called upon periodically to submit information regarding the Disposal of Personal Property to organizations implementing the PAAA or other statutes regulating the disposal of Personal Property, such as the Authorities Budget Office through the Public Authorities Reporting Information System (PARIS).

**BID SHEET**

The following personal property is available for sale "AS IS, WHERE IS" and the Canal Corporation gives no warranty whatsoever as to its condition.

LUMP SUM BID AMOUNT\* \$ \_\_\_\_\_

Subject to all terms and conditions set forth on the reverse hereof, the undersigned offers and agrees to purchase the above-described personal property at the bid amount indicated.

_____ Signature	_____ Company Name
_____ Name (printed)	_____ Street Address
_____ Date	_____ City, State Zip Code
_____ Fax Number	_____ Telephone Number

\* All sales are subject to New York State Sales Tax and Compensating Use Tax unless the Purchaser furnishes the Corporation with an exemption certificate.

**PERSONAL PROPERTY SALE**  
**SALE NO. \_\_\_\_\_**  
**NEW YORK STATE CANAL CORPORATION**  
**(ADDRESS OF PROJECT)**  
**Telephone: ( ) \_\_\_\_\_**  
**FAX: ( ) \_\_\_\_\_**

Subject to the terms and conditions stated below, bids will be received on the Personal Property, either by mail, fax or hand delivery at the (Location) \_\_\_\_\_ no later than (Date) \_\_\_\_\_

The Personal Property is available for inspection, by appointment, at the (Project) \_\_\_\_\_. For an appointment, please contact the Property Disposal Coordinator, (Name) \_\_\_\_\_ at (Telephone no.) \_\_\_\_\_.

Successful bidders will be required to pay by certified check, on notice from the Corporation that the bid has been accepted and remove the Personal Property from the Corporation's premises within ten (10) calendar days after receipt of notice of award.

Envelopes containing bids submitted by mail should be marked on the outside to indicate that a bid on Sale No. \_\_\_\_\_ is enclosed.

Current and former employees of the Canal Corporation or relatives of such employees or third parties acting on behalf of such employees or relatives are ineligible to bid and are prohibited from subsequently acquiring such Personal Property in any manner.

1. **INSPECTION.** Bidders are invited, urged and cautioned to inspect the Personal Property being sold prior to submitting a bid. The Personal Property will be available for inspection at the time and place specified above. In no case will failure to inspect constitute grounds for the withdrawal of a bid after opening.
2. **CONDITION OF PROPERTY.** All Personal Property listed is offered for sale "AS IS, WHERE IS". The Corporation does not in any way warrant the fitness of the personal property for any particular use or its merchantability and disclaims any other representations or warranties, express or implied, including, but not limited to, quality, character, performance or condition of the Personal Property or any of its component parts, assemblies, or accessories.
3. **CONSIDERATION OF BIDS.** Bids must be submitted in writing on the form provided by the Corporation (see reverse side) and shall be submitted on all items listed. The Corporation reserves the right to reject any and all bids, to waive technical defects in bids and to award sale of the items as may be in the best interest of the Corporation.
4. **PAYMENT.** The Purchaser agrees to pay for the awarded Personal Property in accordance with the prices quoted in his/her bid. Payment of the full purchase price must be made

within the time allowed for removal, and prior to the release of any Personal Property to the Purchaser.

5. **NEW YORK STATE SALES AND COMPENSATING USE TAX.** All sales will be subject to New York State Sales and Compensating Use Tax unless the Purchaser furnishes the Corporation with an exemption certificate.

**ADVERTISEMENT FOR PROPOSALS**

The following described Personal Property shall be sold "AS IS, WHERE IS" by the New York State Canal Corporation ("Corporation")

1. Sealed bids are invited for the above, which will be available for inspection by inquiry at the (Location/Building) at the (Project and Address) between the hours of \_\_\_\_ a.m. to \_\_\_\_ p.m. on (Date/s). Bids must be submitted on the Corporation's bid form, which can be obtained by calling (Telephone no.). No bid will be accepted unless it is on such form. Bids shall be accepted on or before \_\_\_\_ p.m. on (Date).
2. Current and former employees of the Corporation or relatives of such employees or third parties seeking to act on behalf of such employees or relatives shall be ineligible to bid.
3. Successful bidders, on notice from the Corporation, shall be required to pay by certified check and shall promptly remove the Personal Property from the Corporation's property.
4. The Corporation reserves the right to reject any and all bids.



**PERSONAL PROPERTY  
SALES AGREEMENT**

\_\_\_\_\_, the Buyer, and the New York State Canal Corporation ("Corporation"), agree as follows:

1. The Personal Property identified herein is sold by the Corporation and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
2. **THE CORPORATION DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.**
3. The Buyer warrants that he/she/it is not a current or former Corporation employee, is not related to an Corporation employee, and did not bid on behalf of an Corporation employee. Buyer is aware that Corporation employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father in law, sister-in-law, brother in law, daughter-in-law, or son-in-law. The Corporation reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of their warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
4. The Buyer shall indemnify and hold harmless the Corporation and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the Corporation and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.
5. Except for disposals by public auction, the Buyer shall remove the Personal Property from the Corporation 's premises by \_\_\_\_\_ at Buyer's expense. The Buyer shall make payment by certified check payable to the New York State Canal Corporation, prior to removal of property.

**Description of Personal Property:**

Selling Price: \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

**Buyer** (print or type)\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_**Seller:**

NYS Canal Corporation

30 S. Pearl St., 5<sup>th</sup> floor

Albany, NY 12207

\_\_\_\_\_  
Authorized Signature\_\_\_\_\_  
Authorized Signature\_\_\_\_\_  
Full Name (printed)\_\_\_\_\_  
Title\_\_\_\_\_  
Title**PRIVACY LAW NOTIFICATION**

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF AUTHORITY PROPERTY.

*This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the New York State Canal Corporation in the sale of Corporation Personal Property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).*

*Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Corporation.*

*This information will be maintained by Fleet Operations, at the Power Authority of the State of New York, Clark Energy Center located at 6520 Glass Factory Road, Marcy, N.Y. 13403, (315) 724-8186 or, when appropriate, by the Procurement Department at the Corporate office or at one of the Authority facilities.*

**NEW YORK STATE CANAL CORPORATION**  
**EXPENDITURE AUTHORIZATION PROCEDURES**

1. Purpose

These Expenditure Authorization Procedures ("EAPs") set forth the policy of the Canal Corporation regarding approval authority applicable to requisitions for Procurement and Non-Procurement Contracts and the execution of contract documents. These EAPs govern purchasing activities as defined in the Canal Corporation's Guidelines for Procurement Contracts ("Procurement Guidelines").

2. Definitions

For a more detailed and full listing of definitions, please refer to the Procurement Guidelines.

- a. "**Procurement Contracts**" are fully defined in the Procurement Guidelines.
- b. "**Competitive**" includes awards made on the basis of low bidder, best value, Office of General Services (OGS), General Services Administration (GSA), cooperative agreement, or any other method where multiple proposals were solicited.
- c. "**Non-competitive**" refers to a procurement in which a contract award is not made on the basis of a Competitive procurement.

3. Notes

All values, as shown, are "less than" unless otherwise stated.  
Values shown as ">" are "greater than or equal to".

These Expenditure Authorization Procedures shall become effective as of January 1, 202~~6~~.

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	Approval limits - Requisition for solicitation <sup>(1)</sup>			
	Personal Services		All other Contracts	
	Non-competitive	Competitive	Non-competitive	Competitive
Manager of: Marine Infrastructure*, Project Manager*, Administrative Services  Director of: Design, Construction Management, Technical Services, Waterways Dam Safety*, Human Resources, Asset Management & Inspection, Environment, Health & Safety*, Fleet and Marine Equipment Management Regional Canal Engineer	50,000	100,000	500,000	1,000,000
Director/Sr. Director of: Waterways Maintenance, Integrated Marketing Communications*, Public Engagement*	100,000	200,000	750,000	2,000,000
VP of Planning * Executive Deputy Director-Canals Regional Manager & SVP VP – Canals Infrastructure Project Delivery <b>Or higher</b>	>100,000	>200,000	>750,000	>2,000,000

\* NYPA Shared Service titles

<sup>(1)</sup> Does not include Purchase Requisitions for Purchase Order Releases or Change Orders.

Approval limits for Requisition for Purchase Order Releases and Change Orders <sup>(1)</sup> , (2), (3)				
	Personal Services		All other Contracts	
	Non-competitive	Competitive	Non-competitive	Competitive
Manager of: Marine Infrastructure*, Project Manager*, Administrative Services  Director of: Design, Construction Management, Technical Services, Waterways Dam Safety*, Human Resources, Asset Management & Inspection, Environment, Health & Safety*, Fleet and Marine Equipment Management  Regional Canal Engineer	50,000	100,000	500,000	1,000,000
Director/Sr. Director of: Waterways Maintenance, Integrated Marketing Communications*, Public Engagement*	100,000	200,000	750,000	2,000,000
VP of Planning * Executive Deputy Director-Canals Regional Manager & SVP VP – Canals Infrastructure Project Delivery	250,000	500,000	1,000,000	3,000,000
SVP of Operations	750,000	3,000,000	1,000,000	5,000,000
CFO <sup>(4)</sup> <b>- AND -</b> one of the following: President COO EVP	>750,000	>3,000,000	>1,000,000	>5,000,000

<sup>(1)</sup> Requisitions for Change Orders that increase the value of a Purchase Order Release or contract must be approved based upon the proposed new value of the Purchase Order Release or contract (or the aggregate value in the case of multiple awards).

<sup>(2)</sup> Additional approvals may be necessary per Finance Committee rules and/or Section 7 of the Guidelines for Procurement Contracts.

<sup>(3)</sup> This includes requisitions for direct Purchase Order Releases and requisitions for a mini bid which will result in a Purchase Order Release.

<sup>(4)</sup> Dual authorization is required at this level.

	Approval for Award by Contract Value <sup>(1)</sup>			
	Personal Services		All other Contracts	
	Non-competitive <sup>(2), (3)</sup>	Competitive	Non-competitive <sup>(2), (3)</sup>	Competitive
Manager of: Marine Infrastructure*, Project Manager*, Administrative Services  Director of: Design, Construction Management, Technical Services, Waterways Dam Safety*, Human Resources, Asset Management & Inspection, Environment, Health & Safety*, Fleet and Marine Equipment Management  Regional Canal Engineer	50,000	100,000	500,000	1,000,000
Director/Sr. Director of: Waterways Maintenance, Integrated Marketing Communications*, Public Engagement*	100,000	200,000	750,000	2,000,000
VP of Planning * Executive Deputy Director-Canals Regional Manager & SVP VP – Canals Infrastructure Project Delivery	250,000	500,000	1,000,000	3,000,000
SVP of Operations	750,000	3,000,000	1,000,000	5,000,000
CFO <sup>(4)</sup> - <b>AND</b> - one of the following: President COO EVP	1,000,000	10,000,000	10,000,000	10,000,000
Canal Board	> 1,000,000 - OR - term > 1 year	> 10,000,000 - OR - term > 1 year	> 10,000,000 for all awards - OR - term > 1 year for services <sup>(5)</sup>	> 10,000,000 for all awards - OR - term > 1 year for services <sup>(5)</sup>

- (1) This chart is for Recommendation for Award memos and Trustee submissions.  
 (2) All non-competitive contract awards, excluding non-procurements, require approval by the SSM Dept Head.  
 (3) Non-competitive contracts valued or estimated at \$1 million or greater require review for approval by the NYS Comptroller prior to award.  
 (4) Dual authorization is required at this level.  
 (5) Services are Personal Services, Non-Personal Services and Construction.

Limits for Execution (Signature Authority) of Contract Documents <sup>(1)</sup>			
<div>Purchase Orders</div> <div>Value Contracts</div> <div>Change Orders</div> <div>Purchase Order Releases</div> <div>(5)</div>	Canal Corporation	Procurement Team Specialist or Shared Service Equivalent (Below Grade 18)	5,000
		Senior Procurement Team Specialist or Shared Service Equivalent (Grade 18)	50,000
		Procurement Team Manager or Shared Service Equivalent (Grade 23 thru 25)	250,000
		Procurement Team Manager	500,000
		Director of Business Services	750,000
		Manager Administrative Services	1,000,000
	NYPA	<u>SSM Vice President</u> <sup>(2)</sup>	3,000,000
		SSM Dept Head <sup>(2) (3) (4)</sup>	25,000,000
		President	> 25,000,000
		COO CFO	

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<sup>(1)</sup> All delegations of authority must be in writing

<sup>(2)</sup> Strategic Supply Management (SSM).

<sup>(3)</sup> Certain contract documents, specifically Letters of Intent, Notices to Proceed, Non-Disclosure Agreements and Master Cost Recovery Agreements, require the authorization of the SSM Dept Head.

<sup>(4)</sup> Execution of agreements falling within the signing authority of the SSM Dept Head, not limited to those listed herein, may be delegated for limited periods of time at the SSM Dept Head's discretion.

<sup>(5)</sup> Purchase Orders, Value Contracts, Change Orders and Purchase Order Releases are signed at face value.



**Date:** October 14, 2025

**To:** GOVERNANCE COMMITTEE

**From:** PRESIDENT & CHIEF EXECUTIVE OFFICER

**Subject:** Annual Review & Approval of Guidelines and Procedures for the Disposal and Acquisition of Real Property and Expenditure Authorization Procedures of the New York Power Authority and Canal Corporation

**SUMMARY**

The Committee is requested to recommend that the New York Power Authority Trustees ("Trustees") and New York State Canal Corporation Board of Directors ("Board of Directors") approve the following at their December 9, 2025 meeting:

1. Exhibits A-1 and A-2: Annual Review and Approval of Guidelines and Procedures for the Disposal of Real Property by the New York Power Authority and Guidelines and Procedures for the Disposal of Real Property by the Canal Corporation
2. Exhibits B-1 and B-2: Annual Review and Approval of Guidelines and Procedures for the Acquisition of Real Property by the New York Power Authority and Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation
3. Exhibits C-1 and C-2: Annual Review and Approval of the Real Property Expenditure Authorization Procedures for the New York Power Authority and the Canal Corporation ("EAPs")

**BACKGROUND**

Section 2896(1) of the Power Authority Act requires that the New York Power Authority and the Canal Corporation adopt by resolution comprehensive guidelines which detail their respective operative policy and instructions regarding the use and disposal of property as well as designate a contracting officer who shall be responsible for the compliance and enforcement of such guidelines. Such guidelines are to be annually reviewed and approved by the governing body of the respective public authority.

Article VII, Section 5 of the shared By-Laws for the New York Power Authority and Canal Corporation's requires that the Trustees and Board of Directors adopt expenditure authorization procedures. The EAPs are submitted annually for review.

The 2026 Real Property Disposal Guidelines and the 2026 Real Property Acquisition Guidelines set forth the methodology regarding the use, award, monitoring and reporting of contracts for the disposal and acquisition of real property and designate a Contracting Officer responsible for compliance with, and enforcement of, such Guidelines.

The Trustees reviewed and approved the Authority's and the Canal Corporation's 2025 Real Property Authorization Procedures at their December 10, 2024 meeting.



The Trustees most recently approved the Authority's and the Canal Corporation's 2025 Real Property Disposal and Acquisition Guidelines at their meeting on March 25, 2025.

## DISCUSSION

The Governance Committee is now requested to review and recommend for approval the Authority's 2026 Real Property Disposal Guidelines, 2026 Real Property Acquisition Guidelines and 2026 Real Estate Expenditure Authorization Procedures.

At their December 10, 2024 meeting, the Trustees reviewed and approved an amendment to the Authority's Expenditure Authorization Procedures to approve the delegations of approval authority to enter into option agreements for the acquisition of interests in real property under Section F of said EAPs. This amendment was sought to allow the Authority to be more nimble in entering into option agreements and signing contracts to facilitate projects developed in support of VISION2030. This added flexibility allows the Authority to be more competitive in the NYISO bidding process, as evidence of site control is typically a prerequisite for submitting proposals.

There are no material changes to the Authority's 2026 Real Property Disposal or Acquisition Guidelines.

The Governance Committee is also requested to review and recommend for approval the Canal Corporation's 2026 Real Property Disposal Guidelines, 2026 Real Property Acquisition Guidelines and 2026 Real Property Expenditure Authorization Procedures.

The Canal Corporation's Expenditure Authorization Procedures have been revised to permit delegations of approval authority for entering into option agreements concerning the acquisition of interests in real property as outlined in Section F of the Canal Corporation EAPs. This amendment is requested for the same reasons detailed in the Authority's prior submission to the Trustees, as explained above.

There are no material changes to the Canal Corporation's 2026 Real Property Disposal or Acquisition Guidelines.

The Guidelines, if approved by the Authority's Board of Trustees and Canal Corporation's Board of Directors, will be posted on the respective Authority and Canal Corporation internet websites subsequent to the December Trustee and Board meetings. The Real Property Disposal Guidelines and the Real Property Acquisition Guidelines, as reviewed and approved by the Trustees and the Board of Directors, will be filed with the State Comptroller, the Director of the Budget, the Commissioner of General Services, the State Legislature, and the Authorities Budget Office.

## FISCAL INFORMATION

There will be no financial impact on the Authority.

## RECOMMENDATION

The Assistant General Counsel – Real Estate, requests that the Governance Committee recommend that the Trustees and Board of Directors approve the 2026 Guidelines and Procedures for the Disposal of Property by the New York Power Authority and Canal Corporation, the 2026 Guidelines and Procedures for the Acquisition of Real Property by the New York Power Authority and Canal Corporation, and the 2026 Expenditure Authorization Procedures for the New York Power Authority and Canal Corporation, as set forth in the attached Exhibits.

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

Justin E. Driscoll  
President and Chief Executive Officer

## **RESOLUTION**

RESOLVED, that the Governance Committee recommends approval of the Authority's 2026 Real Property Disposal Guidelines, 2026 Real Property Acquisition Guidelines, and 2026 Expenditure Authorization Procedures to the Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; and be it further

RESOLVED, that the Governance Committee recommends approval of the Canal Corporation's 2026 Canal Real Property Disposal Guidelines, 2026 Canal Real Property Acquisition Guidelines, and 2026 Expenditure Authorization Procedures to the Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; and be it further

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

**GUIDELINES**

**AND**

**PROCEDURES**

**FOR THE**

**DISPOSAL OF NEW YORK POWER AUTHORITY**

**REAL PROPERTY**

**INDEX**

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## **GUIDELINES AND PROCEDURES FOR THE DISPOSAL OF NEW YORK POWER AUTHORITY REAL PROPERTY**

### **I. PURPOSE**

The purpose of these Guidelines and Procedures for the Disposal of Real Property (“Guidelines”), which comply with Title 5-A, Article 9 of the Public Authorities Law, is to establish the procedures that detail the Authority’s policy and instructions regarding the disposal of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Authority’s compliance with, and enforcement of, the Guidelines.

### **II. DEFINITIONS**

- 2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be appointed by resolution of the Authority’s Trustees to be responsible for enforcement of the Guidelines for the Disposal of Real Property. The “Contracting Officer” is hereby designated to be the Assistant General Counsel - Real Estate, or equivalent(s) or designee.
- 2.2 “Dispose” or “Disposal” shall mean transfer of title or any other beneficial interest in real property in accordance with these Guidelines. Disposal does not include a release of an easement, Permit (defined hereinafter) or Transfer of Jurisdiction (defined hereinafter).
- 2.3 “Fair Market Value” shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

- 2.4 “Permits” shall mean permits issued by the Authority that grant revocable privileges to use or access real property under the jurisdiction of the Authority. Permits may be issued where the real property is not presently required for Authority purposes but held for future use in carrying out its corporate purposes. Permits do not transfer a beneficial interest in real property. Permits are revocable, in part to assure availability upon demand of the real property for Authority purposes.
- 2.5 “Real Property” shall mean real property, including land, tenements and hereditaments owned by the Authority, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.
- 2.6 “Relative” shall mean any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant.
- 2.7 “Transfers of Jurisdiction” shall mean transactions pursuant to Public Lands Law §3(4) and which are between the Authority and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Authority and the New York State Office of General Services deem proper, but the title to the Real Property remains in the name of the People of the State of New York.

### **III. COMPLIANCE OVERVIEW**

The Public Authorities Law (“PAL”) requires the Authority to establish policy guidelines to accomplish the following:

- 3.1 Maintain inventory controls and accountability systems for all Real Property under the Authority's control.
- 3.2 Periodically inventory Authority Real Property to determine which Real Property shall be disposed of.
- 3.3 Dispose of Authority Real Property interests in accordance with the PAL.
- 3.4 Prepare annual reports of Real Property Disposal transactions.

#### **IV. DUTIES OF THE DIRECTOR CORPORATE REAL ESTATE**

- 4.1 The Director Corporate Real Estate or equivalent(s) or designee shall maintain adequate inventory controls and accountability systems for all Real Property under the Authority's control.
- 4.2 The Director Corporate Real Estate or equivalent(s) or designee shall periodically inventory Authority Real Property to determine which Authority Real Property shall be Disposed of and shall prepare a report identifying such Real Property for Disposal.
- 4.3 The Director Corporate Real Estate or equivalent(s) or designee shall produce for publishing written reports of such Real Property as set forth in Article VI of these Guidelines.
- 4.4 The Director Corporate Real Estate or equivalent(s) or designee shall arrange for the Disposal of any Real Property identified for Disposal by the Authority in accordance with these Guidelines and the Authority's Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.



**V. PROCEDURES FOR THE DISPOSITION OF AUTHORITY REAL PROPERTY**

- 5.1 The Authority may Dispose of Real Property for not less than the Fair Market Value of such Real Property by sale, exchange, or transfer, for cash, credit or other property, without warranty, and upon such other terms and conditions as the Contracting Officer deems proper under the provisions of the PAL and as implemented by these Guidelines. Fair Market Value of the Authority Real Property subject to Disposal shall be established by independent appraisal as appropriate and consistent with the intent of the PAL. Such appraisal documents shall be included in the record of the Real Property Disposal transaction.
- 5.2 Except as set forth in Section 5.3 of the Guidelines, any Disposal of Real Property shall only be made after publicly advertising for bids in accordance with the following:
- 5.2.1 the advertisement for bids shall be made at such time prior to the Disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Real Property;
  - 5.2.2 all bids shall be publicly disclosed at the time and place stated in the advertisement; and
  - 5.2.3 the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Authority, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.
- 5.3.a The Disposal of Authority Real Property may be negotiated or made by public auction without regard to Section 5.2 but subject to obtaining such competition as is feasible under the circumstances, if:
- 1. the Fair Market Value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00); or

2. bid prices after advertising therefore are not reasonable, either as to all or some part of the Real Property, or have not been independently arrived at in open competition; or
3. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Real Property and other satisfactory terms of Disposal are obtained by negotiation; or
4. under those circumstances permitted by Section 5.3; or
5. such action is otherwise authorized by law.

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

- a. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Real Property will remain with the government or any other public entity;
- b. the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
- c. in the event the Authority seeks to transfer Real Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Authority's mission, purpose or governing statutes, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate, or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Authority may effectuate such transfer.

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

- a. a full description of the Real Property;

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

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

5.4 An explanatory statement detailing the Disposal by negotiation of Authority Real Property subject to the PAL as set forth in Section 5.3 shall be made for any Disposal of:

- 5.4.1 Real Property with a Fair Market Value in excess of one hundred thousand dollars (\$100,000.00) except that Real Property Disposed of by lease or exchange shall only be subject to 5.4.2 of this Section 5.4;
- 5.4.2 Real Property Disposed of by lease if the fair annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00); and
- 5.4.3 Any Real Property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration is for Real Property:

5.5 Each explanatory statement prepared in accordance with Section 5.4 above shall be transmitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office not less than 90 days in advance of such Disposal, and a copy shall be kept by the Authority.

5.6 Each explanatory statement prepared in accordance with Section 5.4 must include the following:

- 5.6.1 Description of the parties involved in the property transaction;
- 5.6.2 Justification for disposing of property by negotiation;
- 5.6.3 Identification of property, including its location;
- 5.6.4 Estimated fair market value of the property;
- 5.6.5 Proposed sale price of the property;
- 5.6.6 Size of the property; and
- 5.6.7 Expected date of sale of property.

5.7 In the Authority's discretion, when it shall be deemed advantageous to the Authority and the State, the Authority may enter into an agreement with the Office of the Commissioner of General Services ("OGS") under which OGS may Dispose of the Authority's Real Property under terms and conditions agreed to by the Authority and the OGS. In Disposing of any such Real Property of the Authority, the OGS shall be bound by the relevant provisions of the PAL.

5.8 The Director Corporate Real Estate or equivalent(s) or designee shall provide all relevant documentation to the Environmental Division for the purposes of determining, if applicable, whether the Disposal of Real Property is in compliance with the State Environmental Quality Review Act, and for whether it adheres to the American Society of Testing and Material's guidelines for Environmental Site Assessments, if applicable.

- 5.9 No Authority employee who is involved in the award of Authority grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or grantee(s) to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.10 No Authority employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.9 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.11 No Authority employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.
- 5.12 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.

5.12.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a “single source” or “sole source”, or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure (“Eligible Contract”), must be reported in advance of execution to the OSC. Upon execution, all such Eligible Contracts must be filed with the OSC within 60 days.

5.12.2. If the OSC has previously identified a contract or category of contract as “reviewable” (“Reviewable Contract”), such Reviewable Contract must include language stating that it is subject to OSC approval and the executed Reviewable Contract must be submitted to the OSC for review. If the OSC does not act to disapprove the Reviewable Contract within 90 days, the contract is valid.

5.12.3. Where the OSC has notified the Authority that any contract or category of contracts shall be subject to OSC approval, the Authority shall include or cause to be included in each such contract a provision informing the other party that such contract is subject to OSC approval pursuant to the OSC’s authority to supervise the accounts of public corporations.

5.12.4. If the OSC has not approved or disapproved any contract subject to its approval within ninety days of submission to its office, such contract shall become valid and enforceable without such approval.

Note: The Accelerated Renewable Energy Growth and Community Benefit Act, Chapter 58 of the Laws of 2020, Part JJJ, provides limited exclusions to the applicability of Section 2897 of the Public Authorities Law for conveyances involving certain renewable energy generation and transmission projects.

Section 11 of that statute states:

*Notwithstanding section 2897 of the public authorities law, the power authority of the state of New York and the New York state energy research and development authority may each negotiate and enter into agreements with other parties providing for the conveyance of interests in real property provided that in the case of any such conveyance such entity determines that the conveyance will further the purposes of this act or provide other benefits to the entity or the state.*

## **VI. AUTHORITY REAL PROPERTY REPORTS**

6.1 The Director Corporate Real Estate or equivalent(s) or designee shall publish the following reports in accordance with these Guidelines:

6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Director Corporate Real Estate shall furnish a report for incorporation in the Authority's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Authority Disposed of during such reporting period and the name of the purchaser of the Real Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.

6.1.2 Pursuant to Public Authorities Law § 2896(3)(a), the Director Corporate Real Estate or equivalent(s) or designee shall prepare for distribution to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office, an annual report listing all real property of the Authority, which report shall include a list and full description of all Real Property Disposed of during the fiscal reporting period. Regarding Disposals, this annual report shall include the price received by the Authority and the name of the purchaser of the Real Property.

- 6.2 The Authority may be called upon periodically to submit information regarding the Disposal of Real Property to organizations implementing the PAL or other statutes regulating the Disposal of Real Property.
- 6.3 The Authority's Governance Committee meets at least three times per year and staff from Legal Affairs or the equivalent(s) may prepare and present ongoing reports regarding the Disposal of Real Property.

**VII. APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD**

- 7.1 The Guidelines shall be annually reviewed and approved by the Authority's Trustees. On or before the thirty-first day of March in each year, the Authority shall file with the State Comptroller a copy of the most recently reviewed and approved Guidelines, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the State Comptroller, the Authority shall also post such Guidelines on its internet website.



Document Title:  
**Guidelines for the Disposal of Canal Corporation Real Property**

**Exhibit A-2**  
**October 14, 2025**

Document Number:

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## Guidelines for the Disposal of Canal Corporation Real Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
[Revision Date]	1	Conversion to new Canal document template	All	Allison Renstrom Shea Assistant General Counsel

Document Title:  
**Guidelines for the Disposal of Canal Corporation Real Property**

**Exhibit A-2**  
**October 14, 2025**

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# Guidelines for the Disposal of Canal Corporation Real Property

## 1 PURPOSE AND SCOPE

The purpose of these Guidelines for the Disposal of Real Property (“Guidelines”), which comply with Title 5-A, Article 9 of the Public Authorities Law, is to establish the procedures that detail the Canal Corporation’s (“Corporation”) policy and instructions regarding the disposal of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Corporation’s compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority (“Power Authority”) pursuant to Canal Law Section 5, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

## 2 APPLICABILITY

This Policy applies to all the Corporation employees who intend to Dispose of Real Property owned by or under the jurisdiction of the Corporation.

## 3 INITIALISMS (ACRONYMS) AND DEFINITIONS

**Contracting Officer** - shall mean the officer or employee appointed by resolution of the Corporation’s Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the Disposal of Real Property. The “Contracting Officer” is hereby designated to be the Power Authority Assistant General Counsel – Real Estate, or equivalent(s) or designee.

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**Corporation** – Canal Corporation

**Dispose or Disposal** - shall mean transfer of title or any other beneficial interest in real property in accordance with these Guidelines. Disposal does not include a release of an easement, Permit (defined hereinafter) or Transfer of Jurisdiction (defined hereinafter).

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

**OGS** – NYS Office of General Services

**PAL** – Public Authorities Law

## Guidelines for the Disposal of Canal Corporation Real Property

**Permits** - shall mean permits issued by the Corporation that grant revocable privileges to use or access real property or structures under the jurisdiction of the Corporation and for the diversion of Canal waters for sanitary, farm or industrial purposes. Permits are revocable in part to assure availability of the real property for Corporation or public purposes. Permits do not transfer a beneficial interest in real property and may be issued when deemed to be advantageous to the Corporation for the purpose of cutting, gathering and hauling away ice from the canals or when the permitted use does not result in a detriment to canal navigation or damage to the banks or other structures thereof. Permits include Occupancy and Work Permits.

- a) **Occupancy Permit** - a revocable instrument that authorizes the temporary, restricted use of real property under the jurisdiction of the Corporation, including, temporary use of Canal lands or structures, and for the diversion of Canal waters for sanitary, farm or industrial purposes.
- b) **Work Permit** - a revocable instrument that authorizes construction, maintenance, inspection, survey, or other type of work or short term activity on real property under the jurisdiction of the Corporation.

**Real Property** - shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

**Relative** - shall mean any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant.

**Transfers of Jurisdiction** - shall mean transactions pursuant to Public Lands Law §3(4) and which are between the Corporation and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Corporation and the New York State Office of General Services deem proper, but the title to the Real Property remains in the name of the People of the State of New York.

#### 4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Disposal of Corporation Real Property regarding the use, awarding, monitoring and reporting of contracts for the disposal of Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.

# Guidelines for the Disposal of Canal Corporation Real Property

## **5 PROCEDURE IMPLEMENTATION**

### **5.1 COMPLIANCE OVERVIEW**

The Public Authorities Law ("PAL") requires the Corporation to establish policy guidelines to accomplish the following:

- 5.1.1 Ensure that the Corporation's contracting activities comply with Title 5-A, Article 9 of the Public Authorities Law, the Corporation's enabling statute, and any other applicable law pertaining to the Disposal of Real Property.
- 5.1.2 Maintain inventory controls and accountability systems for all Real Property under the Corporation's control.
- 5.1.3 Periodically inventory Corporation Real Property to determine which Real Property shall be disposed of.
- 5.1.4 Dispose of Corporation Real Property interests as promptly as possible in accordance with the PAL.
- 5.1.5 Prepare annual reports of Real Property Disposal transactions.

### **5.2 DISPOSITION OF CORPORATION REAL PROPERTY**

- 5.2.1 The Corporation may Dispose of Real Property for not less than the Fair Market Value of such Real Property by sale, exchange, or transfer, for cash, credit or other property, without warranty, and upon such other terms and conditions as the Contracting Officer deems proper under the provisions of the PAL and as implemented by these Guidelines. Fair Market Value of the Corporation Real Property subject to Disposal shall be established by independent appraisal as appropriate and consistent with the intent of the PAL. Such appraisal documents shall be included in the record of the Real Property Disposal transaction.
- 5.2.2 Except as set forth in Sections 5.2.3 and 5.2.4 herein of the Guidelines, any Disposal of Real Property shall only be made after publicly advertising for bids in accordance with the following:

## Guidelines for the Disposal of Canal Corporation Real Property

- a) the advertisement for bids shall be made at such time prior to the Disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Real Property; and
- b) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
- c) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

### 5.2.3 The Disposal of Corporation Real Property by Negotiation or Public Auction

- a) The Disposal of Corporation Real Property may be negotiated or made by public auction without regard to Section 5.2.2 but subject to obtaining such competition as is feasible under the circumstances, if:
  - 1. the Fair Market Value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00); or
  - 2. bid prices after advertising therefore are not reasonable, either as to all or some part of the Real Property, or have not been independently arrived at in open competition; or
  - 3. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Real Property and other satisfactory terms of Disposal are obtained by negotiation; or
  - 4. under those circumstances permitted by Section 5.2.4; or
  - 5. such action is otherwise authorized by law.
- b) The Disposal of Corporation Real Property may also be made by negotiated sale without regard to Section 5.2.2 but subject to obtaining such competition as is feasible under the circumstances, if ALL the following conditions have been satisfied:
  - 1. the Corporation has determined that: such real property is no longer necessary or useful to the purposes of the Corporation; disposal of such real property complies with all applicable provisions of the canal law; and disposal of such real property is in the best interest of the Corporation; and
  - 2. an appraisal of the fair market value of such property has been made by an independent appraiser and included in the record of the transaction; and

## Guidelines for the Disposal of Canal Corporation Real Property

3. the fair market value of such real property is greater than fifteen thousand dollars (\$15,000.00) but not greater than seventy-five thousand dollars (\$75,000.00); and
4. such real property was improved prior to April 1, 1992, under a municipal permit or a permit issued pursuant to Section 100 of the Canal Law, thereby creating an encroachment on Corporation Real Property; and
5. the purchaser of such Real Property is, or will be, the owner of the improvement that either fully or partially encroaches on Corporation real property; and
6. the consideration paid for such real property will not be less than the fair market value of the real property exclusive of the value, fair market or otherwise, of the encroaching improvements.

### 5.2.4 Below Fair Market Value

- a) No Real Property owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its Fair Market Value except if:
  1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Real Property will remain with the government or any other public entity; or
  2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
  3. in the event the Corporation seeks to transfer Real Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate, or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Corporation may effectuate such transfer.
- b) In the event a below Fair Market Value Real Property transfer is proposed, the following information must be provided to the Corporation's Board of Trustees and the public:
  1. a full description of the Real Property; and

## Guidelines for the Disposal of Canal Corporation Real Property

2. an appraisal of the Fair Market Value of the Real Property and any other information establishing the Fair Market Value sought by the Corporation's Board of Trustees; and
  3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Real Property is situated as are required by the transfer; and
  4. a statement of the value to be received compared to the Fair Market Value; and
  5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (4) of this paragraph, a statement of the value to the private party; and
  6. the names of other private parties who have made an offer for such Real Property, the value offered, and the purpose for which the Real Property was sought to be used.
- d) Before approving the Disposal of any Real Property for less than Fair Market Value, the Corporation's Board of Trustees shall consider the information described in Paragraph 5.2.4.b and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.
- 5.2.5 An explanatory statement detailing the Disposal by negotiation of Corporation Real Property subject to the PAL as set forth in Section 5.2.3.a shall be made for any Disposal of:
- a) Real Property with a Fair Market Value in excess of one hundred thousand dollars (\$100,000.00) except that Real Property Disposed of by lease or exchange shall only be subject to Paragraph 5.2.5.b of this Section 5.2.5; or
  - b) Real Property Disposed of by lease if the fair annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00); or
  - c) Any Real Property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration is for Real Property.
- 5.2.6 Each explanatory statement prepared in accordance with Section 5.2.5 above shall be transmitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities



## Guidelines for the Disposal of Canal Corporation Real Property

Budget Office not less than 90 days in advance of such Disposal, and a copy shall be kept by the Corporation.

5.2.7 Each explanatory statement prepared in accordance with Section 5.4 must include the following:

- a) Description of the parties involved in the property transaction;
- b) Justification for disposing of property by negotiation;
- c) Identification of property, including its location;
- d) Estimated fair market value of the property;
- e) Proposed sale price of the property;
- f) Size of the property; and
- g) Expected date of sale of property.

5.2.8 In the Corporation's discretion, when it shall be deemed advantageous to the Corporation and the State, the Corporation may enter into an agreement with the Office of the Commissioner of the Office of General Services ("OGS") under which OGS may Dispose of the Corporation's Real Property under terms and conditions agreed to by the Corporation and the OGS. In Disposing of any such Real Property of the Corporation, the OGS shall be bound by the relevant provisions of the PAL.

5.2.9 No Corporation employee who is involved in the award of Corporation grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or grantee(s) to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.

5.2.10 No Corporation employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.2.9 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.

5.2.11 No Corporation employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the

## Guidelines for the Disposal of Canal Corporation Real Property

employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

### 5.2.12 Public Authority Contracts

- a) Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.
- b) Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("Eligible Contract"), must be reported in advance of execution to the OSC. Upon execution, all such Eligible Contracts must be filed with the OSC within 60 days.
- c) If the OSC has previously identified a contract or category of contract as "reviewable" ("Reviewable Contract"), such contract must include language stating that it is subject to OSC approval and the executed Reviewable Contract must be submitted to the OSC for review. If the OSC does not act to disapprove the Reviewable Contract within 90 days, the contract is valid.
- d) Where the OSC has notified the Corporation that any contract or category of contracts shall be subject to OSC approval, NYPA shall include or cause to be included in each such contract a provision informing the other party that such contract is subject to OSC approval pursuant to the OSC's authority to supervise the accounts of public corporations.
- e) If the OSC has not approved or disapproved any contract subject to its approval within ninety days of submission to its office, such contract shall become valid and enforceable without such approval.

## 5.3 CORPORATION REAL PROPERTY REPORTS

### 5.3.1 The Corporation shall publish the following reports in accordance with these Guidelines:

- a) Pursuant to Section 2800 of the Public Authorities Law, the Corporation shall furnish a report for incorporation in the Corporation's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Corporation Disposed of during such reporting period and the name of the purchaser of the Real

## Guidelines for the Disposal of Canal Corporation Real Property

- Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Power Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.
- b) Pursuant to Public Authorities Law § 2896(3), the Corporation shall prepare for distribution to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office, an annual report listing all real property of the Corporation, which report shall include a list and full description of all Real Property Disposed of during the fiscal reporting period. Regarding Disposals, this annual report shall include the price received by the Corporation and the name of the purchaser of the Real Property.
- 5.3.2 The Corporation may be called upon periodically to submit information regarding the Disposal of Real Property to organizations implementing the PAL or other statutes regulating the Disposal of Real Property.
- 5.3.3 The Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Disposal of Real Property.

### **5.4 APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD**

The Guidelines shall be annually reviewed and approved by the Corporation's Board of Trustees. On or before the thirty-first day of March in each year, the Corporation shall file with the State Comptroller a copy of the most recently reviewed and approved Guidelines, including the name of the Corporation's designated Contracting Officer. At the time of filing such Guidelines with the State Comptroller, the Corporation shall also post such Guidelines on its internet website.

## **6 VIOLATIONS**

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

## **7 REFERENCES**

Canal Law  
Public Authorities Law

## **8 PROCEDURE REVIEW AND EXPIRATION**

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

**Revision cycle:**

## **9 ATTACHMENTS**

N/A

**GUIDELINES**

**AND**

**PROCEDURES**

**FOR THE**

**ACQUISITION OF REAL PROPERTY**

**BY THE NEW YORK POWER AUTHORITY**

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

## **I. PURPOSE**

1.1 These Guidelines and Procedures for the Acquisition of Real Property (“Guidelines”), which comply with Title 2, Article 9 of the Public Authorities Law, establish the procedures that detail the Authority’s policy and instructions regarding the acquisition of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Authority’s compliance with, and enforcement of, the Guidelines.

## **II. DEFINITIONS**

2.1 “Contracting Officer” shall mean the officer or employee of the Authority who shall be responsible for enforcement of the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Assistant General Counsel - Real Estate, or the equivalent(s), or designee.

2.2 “Acquisition” or “Acquire” shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

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

2.4 “Real Property” shall mean real property, including land, tenements and hereditaments owned by the Authority, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

2.5 “Relative” is any person living in the same household as the Authority employee or any person who is a direct descendant of the Authority employee’s grandparents or the spouse of such descendant, as referred to in Article 5 of these Guidelines.

### **III. COMPLIANCE OVERVIEW**

3.1 These Guidelines are being adopted consistent with the Public Authorities Law (“PAL”).

3.2 The Authority may Acquire Real Property through purchase, eminent domain, state transfers of jurisdiction, lease and by other legal means.

3.3 The Authority’s New York statutory authority for land acquisition includes, without limitation, the Public Authorities Law, the Real Property Law, the Public Lands Law, the Eminent Domain Procedure Law and the Highway Law, as amended.



#### **IV. DUTIES OF THE DIRECTOR CORPORATE REAL ESTATE**

- 4.1 The Director Corporate Real Estate or the equivalent(s) or designee will maintain adequate inventory controls and accountability systems for all Real Property under the Authority's control.
- 4.2 Real Property to be Acquired by the Authority will be in support of existing operating and transmission facilities or in support of new initiatives being pursued by the Authority. The Director Corporate Real Estate or the equivalent(s) or designee will, in consultation with the other appropriate Authority staff (by oral or written communication), determine what Lands are necessary or convenient for Acquisition by the Authority.
- 4.3 The compensation for and the procedure for such Acquisition must be consistent with these Guidelines and the Authority's Real Estate Expenditure Authorization Procedures as amended.
- 4.4 The Director Corporate Real Estate or the equivalent(s) or designee will arrange for the transfer or Acquisition of any Real Property identified for Acquisition by the Authority in accordance with these Guidelines and the Authority's Real Estate Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.
- 4.5 The Director Corporate Real Estate or the equivalent(s) or designee will provide all

relevant documentation to the Authority's Environmental Division to determine whether the Acquisition of Real Property is in compliance with the State Environmental Quality Review Act, and whether it adheres to the American Society of Testing and Material's Guidelines for Environmental Site Assessments, if applicable.

4.6 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.

4.6.1. Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("Eligible Contract"), must be reported in advance of execution to the OSC. Upon execution, all such Eligible Contracts must be filed with the OSC within 60 days.

4.6.2. If the OSC has previously identified a contract or category of contract as "reviewable" ("Reviewable Contract"), such Reviewable Contract must include language stating that it is subject to OSC approval and the executed Reviewable Contract submitted to the OSC for review. If the OSC does not act to disapprove the contract within 90 days, the contract is valid.

## V. **ETHICAL CONSIDERATIONS**

- 5.1 No Authority employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.2 No Authority employee may take part in any Acquisition decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

## **VI. ACQUISITION REPORTS BY THE AUTHORITY**

- 6.1 The Director Corporate Real Estate or equivalent(s) or designee shall publish the following reports in accordance with these Guidelines:
- 6.1.1 Pursuant to Section 2800 of the Public Authorities Law, the Director Corporate Real Estate shall furnish a report for incorporation in the Authority's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value

greater than fifteen thousand dollars (\$15,000.00) that the Authority Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Authority for the Real Property, and (b) a description of the total amounts of Real Property purchased without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property purchased exceeds Fair Market Value, a detailed explanation of the justification for making the purchase without competitive bidding, and a certification by the Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such purchase and determined that it complies with applicable law.

- 6.1.2 The Authority may be called upon periodically to submit information regarding the Acquisition of Real Property to organizations implementing the PAL or other statutes regulating the Acquisition of Real Property, such as the Authority Budget Office through the Public Authorities Reporting System ("PARIS").
- 6.1.3 The Authority's Governance Committee meets at least three times per year and staff from Legal Affairs or the equivalent may, upon request, prepare and present ongoing reports regarding the Acquisition of Real Property.

Document Title:  
**Guidelines and Procedures for the  
Acquisition of Real Property by the Canal  
Corporation**

**Exhibit B-2  
October 14, 2025**

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**Guidelines and Procedures for the Acquisition of Real Property by the Canal  
Corporation**

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
[Revision Date]	1	Conversion to new Canal document template	All	Allison Renstrom Shea Assistant General Counsel

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# Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

## 1 PURPOSE AND SCOPE

These Guidelines for the Acquisition of Real Property (“Guidelines”), which comply with Title 2, Article 9 of the Public Authorities Law, establish the procedures that detail the Canal Corporation’s (“Corporation”) policy and instructions regarding the acquisition of real property. In addition, the Guidelines designate a contracting officer who is responsible for the Corporation’s compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority of the State of New York (“Power Authority”) pursuant to Section 5 of the Canal Law, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

## 2 APPLICABILITY

These Guidelines apply to all Corporation employees who intend to Acquire Real Property for the Corporation.

## 3 INITIALISMS (ACRONYMS) AND DEFINITIONS

**Contracting Officer** - shall mean the officer or employee appointed by resolution of the Corporation’s Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the acquisition of real property. The “Contracting Officer” is hereby designated to be the Power Authority Assistant General Counsel – Real Estate, or the equivalent(s), or designee.

**Corporation** – Canal Corporation

**Acquisition or Acquire** – shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

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

**OSC** – Office of the State Comptroller

**PAL** – Public Authorities Law

**PARIS** – Public Authorities Reporting System

# Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

**Real Property** – shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

**Relative** – is any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant, as referred to in Article 5 of these Guidelines.

## 4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Acquisition of Corporation Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.

## 5 PROCEDURE IMPLEMENTATION

### 5.1 COMPLIANCE OVERVIEW

5.1.1 These Guidelines are being adopted consistent with the Public Authorities Law ("PAL").

5.1.2 The Corporation may Acquire Real Property through purchase, eminent domain, state transfers of jurisdiction, lease and by other legal means.

5.1.3 The Corporation's New York statutory authority for land acquisition includes, without limitation, the Canal Law, the Public Authorities Law, the Real Property Law, the Public Lands Law, the Eminent Domain Procedure Law and the Highway Law, as amended.

### 5.2 DUTIES OF THE CORPORATION

5.2.1 The Corporation will maintain adequate inventory controls and accountability systems for all Real Property under the Corporation's control.

5.2.2 Real Property to be Acquired by the Corporation will be in support of existing facilities, operations or in support of new initiatives being pursued by the Corporation.



## Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

- 5.2.3 The compensation for and the procedure for such Acquisition must be consistent with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures as amended.
- 5.2.4 The Corporation will arrange for the transfer or Acquisition of any Real Property identified for Acquisition in accordance with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.
- 5.2.5 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain contracts.
- a) Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("Eligible Contract"), must be reported in advance of execution to the OSC. Upon execution, all such Eligible Contracts must be filed with the OSC within 60 days.
  - b) If the OSC has previously identified a contract or category of contract as "reviewable" ("Reviewable Contract"), such Reviewable Contract must include language stating that it is subject to OSC approval and the executed Reviewable Contract must be submitted to the OSC for review. If the OSC does not act to disapprove the Reviewable Contract within 90 days, the contract is valid.

### **5.3 ETHICAL CONSIDERATIONS**

- 5.3.1 No Corporation employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.3.2 No Corporation employee may take part in any Acquisition decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the

# Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

## **5.4 ACQUISITION REPORTS BY THE CORPORATION**

5.4.1 The Corporation shall publish the following reports in accordance with these Guidelines:

- a) Pursuant to Section 2800 of the Public Authorities Law, the Corporation shall furnish a report for incorporation in the Corporation's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Corporation Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Corporation for the Real Property, and (b) a description of the total amounts of Real Property purchased without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property purchased exceeds Fair Market Value, a detailed explanation of the justification for making the purchase without competitive bidding, and a certification by the Power Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such purchase and determined that it complies with applicable law.
- b) The Corporation may be called upon periodically to submit information regarding the Acquisition of Real Property to organizations implementing the PAL or other statutes regulating the Acquisition of Real Property, such as the Authority Budget Office through the Public Authorities Reporting System ("PARIS").
- c) The Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Acquisition of Real Property.

## **6 VIOLATIONS**

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

## **7 REFERENCES**

Public Authorities Law

Document Title:

## Guidelines and Procedures for the Acquisition of Real Property by the Canal Corporation

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### 8 PROCEDURE REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

**Revision cycle:**

### 9 ATTACHMENTS

N/A

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

	<b><u>Real Estate Administrator or Equivalent</u></b>	<b><u>Director Corp. Real Estate or Equivalent<sup>(1)</sup></u></b>	<b><u>AGC-RE or Equivalent<sup>(2)</sup></u></b>	<b><u>President/Chairman</u></b>	<b><u>Trustees</u></b>
A) Acquisition and disposition of fee and permanent easement interests in real property other than by appropriation or condemnation:		up to \$ 10,000 value* per parcel	up to \$ 25,000 value* per parcel	up to \$ 3,000,000 value* per parcel	> \$ 3,000,000 value* per parcel
B) Permits, Licenses, Easements for a Term of Years, and Operating Agreements for use of property owned by others or for use of Authority property by others:	up to \$1,000 annual value	up to \$10,000 annual value	up to \$25,000 annual value	up to \$100,000 annual value	>\$100,000 annual value
C) Agreement for annual payment in lieu of taxes: <sup>(3)</sup> (per year)		up to \$10,000 per parcel	up to \$50,000 per parcel	up to \$100,000 per parcel	> \$100,000 per parcel
D) Leases or Lease Extensions where Authority is either landlord or tenant:		up to 5-year term including all renewal options <u>and</u> not exceeding \$30,000 annual rent	up to 10-year term including all renewal options <u>and</u> not exceeding \$50,000 annual rent	up to 10-year term including all renewal options <u>and</u> > \$50,000 and ≤\$100,000 annual rent	> 10-year term including all renewal options <u>or</u> > \$100,000 annual rent regardless of term
E) Advance payments for acquisition of real property by condemnation or appropriation:		100% of AV with concurrence of General Counsel if over \$100,000			
F) Entry into Options preparatory to acquisition of interests in real property		Up to 1-year option term <u>and</u> annual option fee not exceeding \$10,000	Up to 2-year option term <u>and</u> annual option fee not exceeding \$25,000	>2-year option term <u>and</u> annual option fee not exceeding \$3,000,000	annual option fee exceeding \$3,000,000
G Settlement of claims resulting from:					
1) Acquisition of Real Property by Appropriation or Condemnation: <sup>(4)</sup>					
(a) If AV <sup>(5)</sup> is \$ 20,000 or less:		≤ 150% of AV <u>or</u> AV + \$2,000	≤ 200% of AV <u>or</u> AV + \$6,000	> 200% of AV <u>or</u> AV + \$6,000	
(b) If AV is \$ 200,000 or less:		≤ 125% of AV	≤ 150% of AV	≤ 175% of AV	> 175% of AV
(c) If AV is \$ 500,000 or less:		≤ 110% of AV	≤ 120% of AV	≤ 135% of AV	> 135% of AV
(d) If AV is \$1,000,000 or less:		AV	≤ 110% of AV	≤ 135% of AV	> 135% of AV
(e) If AV is more than \$1,000,000:		--	≤ AV	≤ 120% of AV	> 120% of AV
2) Agricultural damages and mitigation:	up to \$1,000	up to \$20,000	up to \$100,000	up to \$300,000	> \$300,000
3) Miscellaneous damages:	up to \$1,000	up to \$20,000	up to \$50,000	up to \$100,000	> \$100,000
4) Radio & TV interference; audible noise:		up to \$20,000	up to \$50,000	up to \$100,000	> \$100,000

- (1) The Real Estate Director-Renewables is also authorized to sign commitments up to the Director level for Real Estate transactions for Renewable Projects.  
(2) The General Counsel is also authorized to sign commitments for Real Estate transactions up to the AGC-RE level in the latter's absence.  
(3) Only upon approval by Trustees to make payment in lieu of taxes for the specific project.  
(4) Only upon approval by the Trustees of the acquisition.

**(5) AV = Appraised Value**

**\* Value = Fair Market Value (FMV) or negotiated value or total consideration for Option Agreement**

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

	<u>Director of Canal Real Property Mgmt.</u>	<u>Director, Canal Technical Services</u>	<u>Canal Regional Manager or Equivalent<sup>(1)</sup></u>	<u>President/Chairman</u>	<u>Trustees</u>
A) Acquisition and disposition of fee and easement interests in real property other than by appropriation or condemnation:		up to \$ 10,000 FMV* per parcel	up to \$ 25,000 FMV per parcel	up to \$ 250,000 FMV per parcel	> \$ 250,000 FMV per parcel
B) Permits, Licenses and Operating Agreements for use of property owned by others:	up to \$1,000 annual value	up to \$10,000 annual value	up to \$25,000 annual value	up to \$100,000 annual value	>\$100,000 annual value
C) Permits for use of Canal property by others:	up to \$10,000 annual value	up to \$75,000 annual value	up to \$100,000 annual value	up to \$150,000 annual value	>150,000 annual value
D) Leases or Lease Extensions where Canals is the landlord or tenant:		up to 5-year term including all renewal options <u>and</u> not exceeding \$30,000 annual rent	up to 10-year term including all renewal options <u>and</u> not exceeding \$50,000 annual rent	up to 10-year term including all renewal options <u>and</u> > \$50,000 and ≤\$100,000 annual rent	> 10-year term including all renewal options <u>or</u> > \$100,000 annual rent regardless of term
E) Advance payments for acquisition of real property by condemnation or appropriation:	100% of AV* with concurrence of General Counsel if over \$100,000				
F) <u>Entry into Options preparatory to acquisition of interests in real property</u>		<u>Up to 1-year option term and annual option fee not exceeding \$10,000</u>	<u>Up to 2-year option term and annual option fee not exceeding \$25,000</u>	<u>&gt;2-year option term and annual option fee not exceeding \$3,000,000</u>	<u>annual option fee exceeding \$3,000,000<sup>(4)</sup></u>
F) Settlement of claims resulting from:					
1) Acquisition of Real Property by Appropriation or Condemnation: <sup>(2)</sup>					
(a) If AV is \$ 20,000 or less:		≤ 150% of AV <u>or</u> AV + \$2,000	≤ 200% of AV <u>or</u> AV + \$6,000	> 200% of AV <u>or</u> AV + \$6,000	
(b) If AV is \$200,000 or less:		≤ 125% of AV	≤ 150% of AV	≤ 175% of AV	> 175% of AV
(c) If AV is \$500,000 or less:		≤ 110% of AV	≤ 120% of AV	≤ 135% of AV	> 135% of AV
(d) If AV is \$1,000,000 or less:		AV	≤ 110% of AV	≤ 135% of AV	> 135% of AV
(e) If AV is more than \$1,000,000:		--	≤ AV	≤ 120% of AV	> 120% of AV
2) Agricultural damages and mitigation:	up to \$1,000	up to \$20,000	up to \$100,000	up to \$300,000	> \$300,000
3) Miscellaneous damages:	up to \$1,000	up to \$20,000	up to \$50,000	up to \$100,000	> \$100,000

(1) The Assistant General Counsel – Real Estate or Equivalent – is also authorized to sign commitments for Real Estate transactions up to the Canal Regional Manager level in the latter's absence.

(2) Only upon approval by the Trustees of the acquisition.

\* AV = Appraised Value, FMV = Fair Market Value



**Date:** October 14, 2025

**To:** GOVERNANCE COMMITTEE

**From:** PRESIDENT and CHIEF EXECUTIVE OFFICER

**Subject:** Review and Approval of Amended Investment Policy Statement for the Other Post-Employment Benefits Trust

### SUMMARY

The Committee is requested to recommend to the New York Power Authority Trustees approval of updates to the Investment Policy Statement ("IPS") for the Other Post-Employment Benefits Trust (the "Trust") at their next meeting.

At the October 14, 2025, meeting, the Trustees will be asked to adopt an amended Other Post-Employment Benefits Trust Investment Policy Statement in order to support the continued growth, strengthen fiduciary oversight, and align with best practices in investment management.

### BACKGROUND

At its July 31, 2007 meeting, the Trustees (1) approved the creation of the Power Authority of the State of New York Other Post-Employment Benefits Trust (the "Trust"); (2) adopted the initial Trust Investment Policy Statement; (3) appointed a Trustee Custodian and (4) approved an initial \$225 million funding plan.

Subsequently, in October 2011, the Trustees approved an on-going annual funding plan and adopted amendments to the Investment Policy Statement clarifying diversification and credit quality standards.

### DISCUSSION

The Trust Investment Policy Statement sets forth the Trust's investment objectives and provides a framework for diversification across asset types and classes. The strategy is designed to align with the Authority's overall return objectives while managing risk appropriately.

The Trust establishment not only secures obligations but also reduces the net cost of those obligations by generating investment earnings to offset anticipated growth in benefit expenditures. Moreover, maintaining a separate Investment Policy for the Trust allows for a longer-term investment horizon and access to higher yielding investments opportunities compared to the Authority's general funds.

Staff recommends several amendments to the Investment Policy Statement for the New York Power Authority Other Post-Employment Benefit Trust Fund. The IPS was last amended in December 2022 to address asset rebalancing requirements, update permitted investments and clarify OPEB Investment Committee responsibilities.

A marked version of the IPS showing recommended changes is attached as Exhibit A - Redlined, with deletions indicated as strikethrough and additions underlined. A final version of the amended IPS is attached as Exhibit A - Clean.

To strengthen the policy framework, the OPEB Investment Committee - assisted by consultant NEPC and external counsel Baker Botts - reviewed the Authority's annual Asset Allocation Study and current investment policy statements. Based on the Trust's objectives and risk tolerances, asset class weighting targets and ranges in the IPS were refreshed as follows:

<b><u>Asset Class</u></b>	<b><u>Asset Weightings</u></b>	
	<b><u>Range</u></b>	<b><u>Target</u></b>
Global Equity <i>(includes domestic, global and int'l equity)</i>	45% - 49%	45%
Fixed Income	14% - 35%	17%
Private Debt	0 - 15%	12%
Private Equity	0 - 18%	15%
Real Assets (Infrastructure/Land)	0 - 14%	11%
Cash Equivalent	0 - 10%	0%

Other revisions include various language edits for clarity and conciseness, the addition of the fiduciary role of the Board of Directors, and provisions to ensure benefits coverage, control reasonable expenses, and diversify investments to reduce risk of significant losses.

NEPC proposed increasing maximum liquidity from 3-6 months to 3-8 months to provide greater flexibility during market downturns, also enabling the Trust to meet higher capital calls in 2025. Consultants also recommended eliminating the domestic Core Plus fixed income asset class, which has been effectively replaced by private market debt funds and the global fixed income fund.

Staff also updated the prohibited investments guidelines, clarifying the Trust's restrictions on fossil fuel infrastructure repurposing, and added protective language to preserve Trust confidentiality by exempting it from providing borrower information or in responding to public records requests.



## FISCAL INFORMATION

As of June 30, 2025, the market value of assets held in the OPEB Trust Fund totaled approximately \$930 million, of which \$379 million were invested in equities, \$164 million were invested in fixed income securities, \$74 million were invested in real estate investment trust securities, and the remainder in private market funds and cash.

## RECOMMENDATION

The Executive Vice President and Chief Financial Officer requests that the Committee recommend that the New York Power Authority Trustees adopt the amended Investment Policy Statement for the Other Post-Employment Benefits Trust and related exhibits at their next meeting.

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

Justin E. Driscoll

President and Chief Executive Officer

## **RESOLUTION**

RESOLVED, that the Governance Committee hereby recommends that the Trustees adopt the amended Other Post-Employment Benefits Trust Investment Policy Statement to both support the continued growth and strengthen the fiduciary control of the Trust as discussed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

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

**INVESTMENT POLICY STATEMENT FOR  
POWER AUTHORITY OF THE STATE OF NEW YORK  
OTHER POST-EMPLOYMENT BENEFITS TRUST**

[Amended: [October, 14, 2025](#)]

**Deleted:** December 13, 2022



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## **Background**

The Power Authority of the State of New York (the “Authority”) has established the Other Post-Employment Benefits Trust (the “Trust”). The Trust provides medical, prescription drug, life and other long-term benefits for those employees who meet the necessary age and service requirements. The Trust is funded by contributions from the Authority. The Authority will oversee certain policies and procedures related to the operation and administration of the Trust.

## **Purpose**

The purpose of this Investment Policy Statement (the “Policy”) is to assist the Authority in effectively supervising, monitoring and evaluating the investment of assets of the Trust. A thorough investment program is defined throughout this document to achieve the following:

- Document the Authority’s investment objectives, performance expectations and investment guidelines for Trust assets.
- Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation. The goal of this strategy is to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
- Establish investment guidelines to control overall risk and liquidity, within the agreed upon investment strategy.
- Establish periodic performance reporting requirements that will effectively monitor investment results and ensure that the investment policy is being followed.
- Comply with all applicable laws, regulations, and fiduciary standards, including prudent investor principles, public authority requirements, and GASB 74/75 reporting considerations.

The Authority has arrived at this Policy through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the Trust. This Policy has been chosen as the most appropriate method for achieving the financial objectives of the Trust, which are defined in the Statement of Objectives.

## **Statement of Objectives**

In defining the objectives of the Trust, the Authority has carefully reviewed its current and projected financial obligations as well as the risk and return relationships included in various asset allocation strategies. Based on these considerations, the Trust objectives are:

- To invest assets of the Trust in a manner consistent with the fiduciary standards of State of New York, including, but not limited to: (a) all transactions undertaken must be for the sole interest of Trust participants and their beneficiaries and to provide maximum benefits and defray reasonable expenses in a prudent manner, and (b) assets are to be diversified in order to minimize the impact of large losses in individual investments.
- To provide for the funding and anticipated withdrawals on a continuing basis.
- To conserve and enhance the capital value of the Trust in real terms through asset appreciation and income generation, while maintaining a moderate investment risk profile.
- To minimize principal fluctuations over the investment cycle (five to seven years).

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- To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in the policy.

The Authority considers material environmental, social, and governance (ESG) factors in manager selection, monitoring, and stewardship. Managers must describe how ESG risks and opportunities are incorporated into their process, provide periodic stewardship reporting (including proxy voting rationale where material).

## **Investment Guidelines**

### **Time Horizon**

The Authority maintains a long-term (30-year) horizon; short-term volatility is acceptable in pursuit of long-term objectives provided risks are diversified and liquidity needs are met.

### **Diversification**

Investments shall be diversified with the intent to minimize the risk of investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

## **Roles and Responsibilities**

### **Board of Directors**

The Board of Directors and authorized staff shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Trust; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent professional acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the Trust so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

### **Authorized Staff**

The Board of Directors also hereby authorizes the Executive Vice President and Chief Financial Officer, the Treasurer, Deputy Treasurer, and the Director of Investments, to perform any and all functions necessary to effectuate the purpose, objectives and any other necessities of the Investment Policy Statement of the Trust.

### **Investment Consultant**

The Authority may retain an Investment Consultant ("Consultant"). The Consultant serves at the pleasure of the Authority and will act as a fiduciary and adviser to the Trust. The Consultant is responsible for providing the Trust with ongoing performance evaluation and due diligence of all investment managers, developing and implementing the Trust's asset allocation policies, and providing education to Board and Authority Staff.

### **Master Custodian**

The Authority shall engage a Master Custodian ("Custodian"). The Custodian will serve at the pleasure of

**Deleted:** The Authority's investment philosophy also includes the consideration of environmental, social, and governance (ESG) factors in the investment process because they can influence both risk and return. The Authority believes that ESG is a sound investment policy that will not only generate investment return but also be impactful across various sectors.

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the Authority, subject to the terms of the Agreement between the Trust and the Custodian. The Custodian shall be a major investment-centered bank and shall act as a fiduciary to the Trust. The Custodian is responsible for custody and safeguarding the Trust’s assets.

Investment Managers

At times the Authority will retain external investment manager(s) to invest a portion of the assets of the Trust. Investment Managers, also known as Investment Advisers, have the power to invest Authority assets in accordance with the Investment Manager’s specific guidelines and objectives.

Asset Allocation, Diversification and Rebalancing

Asset Allocation Policy

The Authority believes that to achieve the greatest likelihood of meeting Trust objectives and the best balance between risk and return for optimal diversification, assets in the Trust should be allocated in accordance with the targets for each asset class as follows:

Asset Class	Asset Target (%)	Target Range (%)	Index
Global Equity <i>(includes domestic, global and international equity)</i>	45	45-49	MSCI ACWI
Fixed Income	17	14-35	Bloomberg Barclays Aggregate Index
Private Equity	15	0-18	Cambridge Global Private Equity (quarter lag)
Private Debt	12	0-15	Cambridge Global Credit (quarter lag)
Real Assets	11	0-14	NCREIF Property (quarter lag)
Cash	0	0-10	90 Day U.S. Treasury Bill

The Authority staff and Consultant shall conduct an asset liability study every three to five years and present the results to the Board. The study will consider the asset class mix, future benefit payments, liabilities, required funding, the actuary’s recommended interest rate assumption, and the prospective funded status of liabilities. Through quantitative asset/liability modeling and qualitative evaluation, an appropriate strategic asset allocation mix will be selected.

The Authority staff and Consultant will prepare an asset allocation review annually. The asset allocation review will include capital market expectations (10-year horizon and longer), risk/return expectations for major asset classes, correlation expectations for major asset classes, appropriate benchmarks, asset class and style targets, and diversification. In addition to achieving diversification by asset class, careful attention shall be paid to diversification within each asset class and sub-allocation and manager concentration at a total funded level.

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### **Diversification**

Diversification, both by and within asset classes, is a primary risk control element. Because assets are invested to achieve long-term returns, short-term results will not be the determining factor in the Authority's decision to revise an asset allocation or to terminate an investment manager except for extreme cases. Passive and actively managed portfolios are both acceptable options for the Trust.

### **Liquidity**

In general, the Trust will maintain 3-8 months of projected benefits payments and expenses in cash and highly liquid instruments (< 1 – week liquidity).

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The investment managers shall have discretion to temporarily invest a portion of the assets in cash reserves when they deem it appropriate. However, the managers will be evaluated against their peers on the performance of the total Plan under their direct management.

Relatively illiquid investments, such as venture capital partnerships, real estate holdings, and private capital investments may be made within prescribed limits, with due consideration regarding their impact on overall liquidity requirements, and when the excess expected return is sufficient to compensate the Trust for reduced liquidity. It is the Authority's intention to maintain the current allocation within the long-term allocation target ranges. However, the Authority appreciates the illiquid nature of some of the Trust's investments and acknowledges that several years may be needed to rebalance certain asset classes, especially in alternative investments (Opportunistic, Real Estate, Private Equity and Infrastructure).

### **Risk Management**

Risk management is essential to the Trust's mission and to the success of the Trust's investment program. Most investment decisions have a risk component that must be considered. When making investment decisions, all reasonable effort to consider all risks—liquidity risk, market risk, business risk, credit risk, currency risk, interest rate risk, inflationary risk, etc.— within the context of the Trust's overall portfolio shall be taken.

### **Rebalancing Philosophy**

Proper implementation of this guideline may require that a periodic adjustment or rebalancing of assets be made to conform to the approved asset allocation policy targets. Rebalancing requirements shall be reviewed on a continual basis.

Cash flows will be taken into consideration to rebalance the portfolio, as appropriate. Portfolio rebalancing will occur periodically, and priority will be given to asset classes that fall outside permissible ranges. Rebalancing, when required, shall occur as soon as practical. Portfolio rebalancing will occur to ensure compliance with the target asset allocation percentages at a reasonable cost, recognizing that overly precise administration of targets can result in transaction and market impact costs that are not necessarily fiscally justified.

### **Total Plan Benchmark**

Over the long-term, a rolling five-year period, the investment objectives for this portfolio shall be to achieve an average total annual rate of return that is equal to or greater than the Trust's stated 7% actuarial assumption. The Authority acknowledges that actual returns may vary significantly from these targets on a year-to-year basis.

The investment objective is to achieve a rate of return consistent with the investment policy stated above. Over reasonable measurement periods, the rate of total return earned on total assets shall be compared with the following:

32% of Domestic Equity (US All Cap Equity 26% of Russell 3000, US Small/Mid Cap Equity 6% of Russell 2500), 13.5% of International Equity (MSCI ACWI ex USA), 15% of Private Equity (Cambridge US All PE), 9% of Domestic Fixed Income (Core/Core Plus 6% Bloomberg US Aggregate TR, Global Multi-Sector 3% Bloomberg Global Aggregate TR), 10% of Private Credit (CPI + 3 IQTR Lagged), 2% of REITs (S&P Global REITs), 7% of Real Estate (NCREIF ODCE), 1% of Cash (90 Day U.S. Treasury Bill), 2.5% of U.S. Treasury/TIPS (Bloomberg U.S. TIPS), 4% emerging markets (MSCI Emerging Market Index, and 4% of Private Real Assets (CPI + 3% Seasonally Adjusted).

### Investment Manager Goals and Objectives

Each manager is expected to outperform its benchmark net of fees over rolling 3-5 years and maintain appropriate risk. The investment manager shall achieve its return objectives while maintaining an appropriate level of risk as determined by the Authority and/or as specified in the investment contract.

### Watch List Criteria

#### *Qualitative Factors*

A Manager may be placed on a watch list or on probation in response to significant changes in the ownership structure or key personnel; anticipated changes in the investment process; concerns about the Manager's recent or long-term investment results; failure of the Manager to comply with the investment guidelines or other separate instructions; legal or regulatory concerns, or any other event which the Authority concludes causes material changes to the investment manager.

#### *Performance/Quantitative Factors*

A Manager will be placed on probationary status if, over 4-6 consecutive quarters or a market cycle, a manager has consistently failed to outperform its index and its peer universe. This is a guide for action, and notwithstanding the provisions herewith, the Authority may immediately place a Manager on probation or to take immediate action to terminate a Manager for any reason at their sole discretion.

### Procurement of Investment Managers

The Authority, with the assistance of its investment consultant, shall select appropriate investment managers to manage the assets of the Trust. Such external managers may manage separate accounts or may manage one or more Fund of Funds. Authority Staff and an investment consultant will identify and select potential external asset managers through a traditional RFP/RFQ or alternative search process.

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## **Investment Manager Selection**

Typically, Staff works with the Authority's investment consultant to identify and recommend managers through a competitive search, or Request for Proposals/Request for Qualifications. However, from time to time, the Authority, in an effort to improve diversification and investment returns, will invest in alternative or opportunistic investments, including private markets, real assets (private real estate, infrastructure) and hedge fund investments. Such investments may be available only for a set time period determined by the investment manager – i.e., during a fundraising period – and at a set price also determined by the investment manager.

Staff and the Authority's investment consultant will monitor and observe potential investments over time and through different market environments. For the selection of any such investments, Staff, working with the Authority's investment consultant, may conduct a competitive process to prequalify and/or make a selection or Staff may select investments without engaging in a formal search. If Staff determines not to use a formal search, investments will be governed by the due diligence, documentation and approval criteria set out in the Trust's Investment Policy Statement.

In either a traditional or alternative search process, Authority Staff will provide the following written documentation to demonstrate the selection due diligence criteria and seek approval as follows:

- Initial Search Memorandum – provides the rationale for the search, a summary of criteria that will be used to screen for the initial pool of candidates and list of all RFP/RFI or alternative respondents.
- Selection Memorandum – summarizes the selection process, provides a brief summary of each finalist and an evaluation of their strengths and weaknesses, sets forth the key factors that differentiated the recommended manager(s) from the other candidates. It may also include the selection of "high-interest" candidates for ongoing monitoring.
- Investment Consultant Recommendation – similar to the Selection Memorandum but prepared by the consultant assisting in the manager search. No external asset manager will be retained without a positive recommendation from the Authority's consultant. Investment Consultant will provide any additional due diligence research if available.

Staff will provide the above documentation and seek approval from the OPEB Investment Committee and concurrence from the Risk department.

## **Guidelines for Portfolio Holdings**

### **Equities**

#### *Domestic Equity*

Investment in common and preferred stocks shall be limited to securities of domestic (corporations incorporated in the United States) or foreign corporations listed on the New York Stock Exchange, American Stock Exchange, or National Association of Securities Dealers Automated Quotation system.

Investments in American Depository Receipts and publicly traded Real Estate Investment Trusts are also permitted. Investments in non-dollar denominated equities are prohibited.

Not more than 5% of the total stock portfolio valued at market may be invested in the common stock of any one corporation. Ownership of the shares of one company shall not exceed two (2%) percent of those outstanding. Not more than 20% of stock valued at market may be held in any one industry category. Other than these constraints, there are no quantitative guidelines suggested as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the investment manager(s).

#### *International Equity*

The overall non-U.S. equity allocation should include a diverse global mix of at least 10 countries. The emerging markets exposure as defined by Morgan Stanley Capital International Inc. should be limited to 35% of the non-U.S. portion of the portfolio.

### **Fixed Income**

#### *Public Fixed Income (Core and Non-Core Fixed Income)*

Fixed income investments shall be high quality, marketable securities with a preponderance of the investments in (1) U.S. Treasury, federal agencies and U.S. Government guaranteed obligations, and (2) investment grade municipal or corporate issues including convertibles. Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. This does not apply to issues of the U.S. Treasury or other Federal Agencies.

The overall rating of all fixed income assets shall be at least "A", according to one of the three rating agencies (Fitch, Moody's or Standard & Poor's). In cases where the yield spread adequately compensates for additional risk, securities where two of the three rating agencies (Fitch, Moody's or Standard & Poor's) have assigned ratings of Baa3 or BBB- ratings, can be purchased up to a maximum of 20% of total market value of fixed income securities. If the credit quality of any one issue should drop below investment grade (as defined by two of the three rating agencies – Fitch, Moody's and Standard & Poor's), the investment manager should notify the Authority and the investment consultant immediately detailing their Trust of action regarding the security.

Active bond management is encouraged and may require transactions that will temporarily lower the return or change the maturity of the portfolio in anticipation of market changes. Holdings of individual securities should be liquid so as not to incur unnecessary transaction costs.

#### *Fixed Income (Global Bonds)*

The global bond allocation consists of actively managed portfolios that are externally managed and substantially hedged to the U.S. dollar to mitigate currency risk. Global bond portfolios may be structured as separate or commingled accounts or a combination of the two. The purpose is for the Trust to maximize investment return commensurate with the risk taken while protecting capital. Additionally, the expansion of the fixed income opportunity set provides additional diversification benefits to the overall investment portfolio.

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The U.S. high yield bond allocation consists of actively managed portfolios that allow external managers to use their skill to invest primarily in non-investment grade fixed income securities while managing credit risk. U.S. high yield bond portfolios may be structured as separate or commingled accounts or a combination of the two. The purpose is for the Trust to maximize investment return commensurate with the risk taken while protecting capital. Additionally, the expansion of the fixed income opportunity set provides additional diversification benefits to the overall investment portfolio.¶

## **Alternative Investments**

### *Private Equity*

The Trust invests in private equity to enhance the investment portfolio return through long-term capital appreciation. Private equity investments are illiquid, and the Trust seeks to be compensated for such illiquidity by earning returns substantially greater than those available from publicly traded equity securities. Private Equity investments typically include investments in leveraged buyout, venture capital, growth equity, distressed debt, and other special situation limited partnerships, generally referred to as “Private Equity Partnerships.”

The portfolio should be diversified by strategy and will also be monitored by other diversification measures including manager, industry, geography, and vintage year. The private equity investments can have a duration of up to 15 years to realize all investment earnings. To maintain an appropriate funded status on a net asset value-basis, the Trust will be required to make periodic commitments to additional eligible vehicles to maintain its asset allocation percentages and vintage-year diversification. The Trust’s staff will work with the Consultant(s) and the Investment Manager(s) to determine appropriate commitment timing and amounts.

### *Private Credit/Debt*

The Trust may invest in private credit investments. Private credit investments are illiquid, and the Trust seeks to be compensated for such illiquidity by earning returns substantially greater than those available from publicly traded debt securities. Private credit can have a duration of up to 15 years to realize all investment earnings.

### *Public Real Estate*

Real Estate Investment Trust (“REITs”): REITs consists of publicly traded securities and/or non-publicly traded private real estate and shall be diversified across a broad array of property types and geographic locations. Investments of this type are designed to provide a stable level of income combined with potential for price appreciation, particularly in periods of unexpected inflation.

### *Private Real Estate*

The Trust may invest in real assets, including real estate and non fossil fuel infrastructure investments. Real asset investments are illiquid, and the Trust seeks to be compensated for such illiquidity by earning returns substantially greater than those available from publicly traded securities. The role of the Real Estate asset class is to capture excess returns through core and non-core real estate investments and provide a steady stream of cash flows through core investments.

### *Infrastructure*

The Trust invests in non-fossil fuel infrastructure to enhance the investment portfolio return through long-term capital appreciation. Infrastructure is long term in nature and illiquid. The portfolio should maintain adequate diversification by strategy, vintage year and geographical diversification.

### *Inflation Hedge Investments*

An inflation hedge investment protects the decreased purchasing power of a currency that results from the loss of its value due to rising prices (inflation). Such investing typically includes assets that are expected to

maintain or increase in value over a specified period of time. Alternatively, the hedge could take a higher position in assets, which may decrease in value less rapidly than the value of the currency. The Trust may invest in such inflation hedge strategies as TIPS, Real Assets, Commodities or other strategies that protect against the decreasing purchase power of its currency as deemed appropriate by the Committee and Investment Consultant.

#### Direct Investments and Co-Investments

Direct Investments (as defined below) and Co-investments (as defined below) that the Authority determines are appropriate for the investment program of the Trust in light of, among other things, (i) the time, effort and resources required to hold, manage and dispose of such investments and (ii) the expected holding period of such investments;

#### Short Term - Cash Equivalents

Includes, but are not limited to, interest-bearing or discount instruments such as money market funds, U.S. Treasury Bills, U.S. Government Agency Discount Notes, corporate-issued commercial paper, bank-issued Certificates of Deposit, bankers' acceptances, and fully collateralized repurchase agreements. For the purposes of the Trust, short-term investments consist primarily of instruments maturing in twelve (12) months or less at time of purchase.

#### Vehicle Structures

##### **Pooled Vehicles**

The diversification restrictions for individual stocks and fixed income securities purchased and held in the total portfolio shall not apply to similar investment instruments held in a commingled fund or a SEC registered mutual fund specifically approved by the Authority. Every effort shall be made, to the extent practical, prudent and appropriate, to select commingled funds and/or mutual funds that have investment objectives and policies that are consistent with this Policy.

However, given the nature of commingled funds and mutual funds, it is recognized that there may be deviations between this Policy and the objectives of these pooled vehicles. Any commingled fund(s) and/or mutual fund(s) approved by the Authority shall first be reviewed and recommended by the Authority's independent investment consultant and shall be eligible for inclusion in the total portfolio as long as it is in compliance with the Investment Company Act of 1940's diversification requirement.

##### **Open End and Closed End Funds**

Open end Funds are infinite life vehicles that provide liquidity by allowing the investor to contribute or redeem capital, typically on a quarterly basis. Closed end Funds are finite life vehicles in which the timing of capital contributions and distributions is at the discretion of the manager, subject to the terms of the operating documents.

##### **Limited Partnership Interest**

In a limited partnership, the general partner is responsible for managing and investing the partnership's assets. Initially, the partnership's assets consist of cash contributed by the investors, both as limited partners and from the general partner. Legally, unless the partnership is a Fund of Funds, the relationship between

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the general partner and limited partners is not primarily one of client/manager, but rather that of partners in an investment venture, although certain fiduciary duties are owed by the general partner to the limited partners. As used herein, however, the term investment manager shall be construed broadly to include the general partner in a limited partnership.

### Prohibited Investment Areas

Prohibited Investments. The Authority shall not permit the Trust to make investments in the following types of securities, assets or transactions:

- Letter stock and other unregistered securities;
- Commodities or commodity contracts;
- Short sales;
- Margin transactions for the purposes of leveraging the Trust's investment portfolio;
- Derivatives, options or futures for the purpose of leveraging the Trust's investment portfolio;  
or
- Collectibles (as defined below).

Except as expressly provided below, the foregoing prohibitions shall not extend to indirect investments made through a Company (as defined below) in which the Trust makes an investment that is permitted hereunder and which is not controlled by the Trust.

Prohibited Company Investments. The Authority shall not permit the Trust to make investments in any of the following Companies:

- a Company that derives a majority of its revenue from the manufacture of civilian firearms or ammunition or the retail sale of guns, including handguns, semiautomatic weapons or assault rifles; provided, however, that this provision does not prohibit the Trust from investing in a Company that is a defense contractor or that produces weapons for U.S. national defense;
- a Company that derives a Material Portion (as defined below) of its revenue from either (i) the production, mining and/or processing of thermal coal or (ii) fossil fuel infrastructure, unless the Trust determines that the applicable Company is developing or has in place an appropriate Mitigation Plan (as defined below) with respect to such activities;
- a Company that derives a Material Portion of its revenue from (i) the sale of tobacco or tobacco-based products, (ii) the production, sale or distribution of pornography, (iii) child labor, as such term is defined by the International Labour Organization conventions 138 and 182<sup>1</sup>, (iv) the production or distribution of illicit narcotics, as defined by the U.S. Controlled Substances Act<sup>2</sup>, (v) conflict minerals, as defined by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>3</sup> or (vi) human trafficking, as defined by the United Nations Office on Drug and Crimes;
- a Company that derives more than 10% of its revenue from (i) a Sanctioned Country (as defined below) or (ii) a Sanctioned Party (as defined below); or
- a Company that derives more than 10% of its revenue from Collectibles.

#### **Deleted: Prohibited Securities¶**

The following securities and transactions are not authorized and shall not be purchased: letter stock and other unregistered securities, commodities or commodity contracts, short sales, margin transactions, and investments in fossil fuel infrastructure. Derivatives, options or futures for the purpose of portfolio leveraging are also prohibited. The purchase of collectibles is also prohibited.¶

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*Investments in Funds.* The above prohibitions on investments in Companies shall also apply, to the extent practicable, to indirect investments in Companies through a Fund in which the Trust makes an investment; provided, however, that such prohibitions will be deemed satisfied if the Trust is granted the right under the applicable Investment Documents (as defined below) for the Fund to be excused from such indirect investment under arrangements pursuant to which the Trust (i) is not required to contribute capital for purposes of making such indirect investment and (ii) does not have an economic interest in such indirect investment (such as the right to distributions in respect thereof or allocations of income, gain, loss and deductions attributable thereto).

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*Index Investments.* Notwithstanding the foregoing prohibitions, the above prohibitions shall not limit or otherwise restrict the Trust from investing in Index Funds (as defined below), whether or not securities that are included in the applicable index are of the type or are issued by one or more Companies that derive revenues from the sources described above.

### **Investments in Funds**

When the Trust invests in a Fund, it is the policy of the Trust to take appropriate action to ensure that the terms and provisions of the Investment Documents for such Fund conform to the following policies<sup>4</sup>:

*Borrowings.* It is the policy of the Trust that, in relation to any borrowings by a Fund in which the Trust makes an investment, the Trust shall not be required to provide any additional financial information or to execute any additional document, instrument, opinion or certificate for the benefit of any lender or other creditors in connection with any credit facility or other arrangement relating to such borrowings. Notwithstanding the foregoing, the Trust may agree to (i) acknowledge in writing the amount of its capital commitment to the Fund or (ii) make available financial information with respect to the Trust that is publicly available.

*ESG.* It is the policy of the Trust that the general partner or manager of a Fund in which the Trust makes an investment acknowledge that such general partner or manager considers environmental, social and governance issues in making investment decisions.

*Jurisdiction; Venue.* The Trust is a benefit plan established by the Authority, which is an instrumentality of the State of New York. Accordingly, it is the policy of the Trust that, to the extent practicable, any dispute, action, claim or proceeding arising out of an investment made by the Trust in a Fund, whether brought by or asserted against the Authority or the Trust shall be brought before and subject to the exclusive jurisdiction of the State of New York or the United States District Court for the Southern District of New York. Notwithstanding the foregoing, the Trust may determine, in appropriate circumstances, to limit the foregoing policy to certain disputes, actions, claims or proceedings, such as those brought by or asserted solely against the Authority or the Trust by the Fund or its general partner or manager.

*Placement Fees.* It is the policy of the Trust that no placement fee, bonus or other similar fees or commissions be paid to any third party in connection with the investment made by the Trust in a Fund, except in limited circumstances where (i) the general partner or manager of the Fund pays bonuses or other compensation to bona fide employees in conformity with applicable law and (ii) the Trust does not bear the

cost of any such bonuses or other compensation.

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*Public Records Acts.* It is the policy of the Trust that, in relation to New York State laws, regulations and policies which could result in the disclosure of information regarding a Fund in which the Trust has made an investment or its portfolio companies or investments, including, without limitation, the New York Freedom of Information Law (Pub. Off. Article 6) and the Open Meetings Law (Pub. Off. Article 7) (together, as amended from time to time and including all applicable regulations and policies, the “Public Records Acts”), the obligations of the Trust generally be limited to (i) notifying the general partner or manager of such Fund that it has received a request under a Public Records Act for the disclosure of information that is treated as confidential under the Investment Documents for such Fund and (ii) cooperating with any efforts on the part of the general partner or manager or manager of such Fund to preserve the confidentiality of such information to the extent consistent with applicable law (including affording the general partner or a manager an opportunity to seek a protective order or other remedy available under applicable law to protect such information from disclosure).

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#### **Interpretation; Waivers and Exceptions**

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The Trust shall be entitled to interpret the above policies, and to approve in appropriate circumstances waivers of or exceptions to such policies. No waiver of or exception to any such policies shall be deemed to alter or amend such policies, except in the specific instance in which such waiver or exception applies.

#### **Defined Terms**

As used herein, the terms set forth below have the following meanings:

“Co-investment” means a direct investment in a privately held Company that is offered to the Trust as result of an investment made by the Trust in a Fund (whether as a result of the exercise by the Trust of co-investment rights granted by such Fund or otherwise).

“Collectibles” means art, antiques, coins, stamps, sports memorabilia, and other unique physical objects that have value due to their rarity, condition, historical significance or popularity, in each case to the extent that the same are acquired with the expectation of generating a financial return over time.

“Company” means a corporation, a partnership, a limited liability company or any other type of entity (including, but not limited to, an entity formed under the laws of a jurisdiction outside the United States of America).

“Direct Investment” means an investment (other than a Co-Investment) made directly in a privately held Company, rather than through a Fund.

“Index Fund” means a mutual fund or exchange traded fund that seeks to replicate the performance of a specific market index (such as the S&P 500 or Dow Jones Industrial Average).

“Investment Documents” means the agreements and other documents governing the investment made by the Trust in a Fund, including (if applicable) the partnership agreement or other organizational documents

of such Fund, the subscription agreement pursuant to such investment is made and any side letter agreement to which the Trust is a party.

“Material Portion” means a percentage determined by the Trust in its sole discretion applicable to a Company in which the Trust proposes to acquire a direct or indirect interest, which percentage shall be less than fifty percent (50%) (it being understood that the determination of the applicable percentage shall be deemed to have been made by virtue of the execution by the Trust of Investment Documents that specify such percentage).

“Mitigation Plan” means a plan developed or under development by the general partner or manager of a Fund with respect to a specific investment to be made by such Fund which the Authority determines in its sole discretion is intended to transition the facility or assets associated with such investment to one or more uses that reduce the climate impacts thereof, such as by transitioning a facility to a cleaner fuel, applying carbon capture technologies or solutions or divesting or decommissioning certain portions of the facility or assets.

“Sanctioned Country” means any country or territory against which comprehensive sanctions are imposed, administered or enforced from time to time by the United States, the State of New York, the United Kingdom, the European Union, any European Union Member States, Switzerland, the United Nations or United Nations Security Council, or any other country with jurisdiction over the activities undertaken in connection with this Investment Policy and any other agreement referenced herein (whether such sanctions are imposed by statute, rule, regulation, executive or administrative order or otherwise).

“Sanctioned Party” means any Person that is designated for export controls or sanctions or restrictions under any applicable trade control laws, including, but not limited to, those designated under the U.S. List of Specially Designated Nationals and Blocked Persons, Foreign Sanctions Evaders List, Entity List, Denied Persons List, Debarred List, the UK Consolidated List and the EU Consolidated List of Persons, Groups, and Entities Subject to EU Financial Sanctions, as well as any entity that is fifty percent (50%) or more owned or any entity which is controlled, directly or indirectly, by one or more of the Persons listed therein.

### **Safekeeping**

All securities shall be held by a custodian appointed by the Authority for safekeeping. The custodian shall provide monthly holdings and performance reports, Private asset valuations shall be based on manager-reported NAVs and independent audits where available; performance measured net of fees with a one-quarter lag where applicable. Assets of the Trust held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts.

### **Review of Investment Objectives**

The OPEB Investment Committee, working with an independent Investment Consultant, shall review annually the appropriateness of the Policy for achieving the Trust’s stated objectives. It is not expected that the Policy will change frequently. In particular, short-term changes in the financial markets should not

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require an adjustment to the Investment Policy.

#### **Voting of Proxies**

Voting of proxy ballots shall be for the exclusive benefit of the Trust. Unless the Authority or its delegate advisor provides information on how to vote a proxy, the investment managers shall vote the proxies in accordance with this Policy on all shareholder issues.

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The Authority delegates this authority subject to the understanding that the investment manager(s) and/or the selected proxy voting vendor in voting the proxies will consider only those factors that may affect the value of the Trust's investment and not subordinate the interests of the participants and beneficiaries to unrelated objectives.

The Authority will require the investment manager(s) and/or the selected proxy voting vendor to maintain accurate records as to proxy voted and report annually to the Authority a summary of all proxy voting decisions made on behalf of the Trust.

Investment manager(s) and/or the selected proxy voting vendor are prohibited from abstaining in voting proxies. Investment manager(s) and/or the selected proxy voting vendor expected to be aware of corporate provisions that may adversely affect stockholdings, including but not limited to "golden parachutes," "super majorities," "poison pills," "fair price" provisions, staggered boards of directors, and other tactics. Proxies should be vigorously voted with the interest of preserving or enhancing the security's value.

#### **Execution of Security Trades**

The Authority expects that the purchase and sale of all Trust securities shall be made in a manner designed to receive the combination of best price and execution. All transactions are to be governed by negotiation to achieve "best execution" (best price net of commissions). The lowest commission rate need not mean "best execution." Firms which offer research services may be given preference as long as the principle of "best realized price" and the investment manager(s)'s option to "pay up" for research are compatible.

#### **Adoption of Investment Policy Statement**

This Policy is not immutable, but any changes or exceptions to it will be in writing and delivered to each investment manager.

Amended as of [October 14, 2025](#), by the Power Authority of the State of New York

Deleted: December 13, 2022

## MINUTES OF THE JOINT GOVERNANCE COMMITTEE MEETING

March 18, 2025

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Minutes of the joint meeting of the New York Power Authority and Canal Corporation's Governance Committee held via videoconference at approximately 10:45 a.m.

**Members present were:**

Bethaida Gonzalez – Chair  
John R. Koelmel  
Cecily Morris  
Lewis M. Warren Jr.  
Dennis Trainor

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**Also in attendance were:**

Justin E. Driscoll	President and Chief Executive Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Lori Alesio	Executive Vice President and General Counsel
Karina Saslow	Senior Vice President - Human Resources
Daniella Piper	Executive Vice President and Chief Innovation Officer
Robert Piascik	Senior Vice President and Chief Information and Technology Officer
Alexis Harley	Senior Vice President and Chief Risk and Resiliency Officer
Charles Imohiosen	Senior Vice President - Communications and External Affairs
Salman Ali	Senior Vice President - Internal Audit
Maribel Cruz-Brown	Senior Vice President - Internal Affairs
Patricia Lombardi	Senior Vice President Project Delivery
Christopher Hutson	Senior Vice President NYPA Development
Karen Delince	Vice President and Corporate Secretary
Victor Costanza	Vice President Chief Information Security Officer
Joshua Cortes	Deputy Chief of Staff – Executive Office
Christopher Vitale	Director - Projects
Girish Behal	Vice President – Projects and Business Development
Dave Work	Vice President – Customer Project Development
Steven Damsky	Senior Director Business Value Optimization
Carley Hume	Chief of Staff and Vice President of Policy
Kaela Mainsah	Vice President – Environmental Justice
Rob Daly	Director - Licensing
Emma Maceko	Manager – Federal Affairs
Sandra Bleckman	Workforce Development Project Director
Ronald Carroll	Vice President – Development Data Management
Joseph Gryzlo	Vice President and Chief Ethics & Compliance Officer
Nancy Harvey	Chief Diversity, Equity and Inclusion Officer
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Senior Assistant Corporate Secretary
Fiona Khan	Senior Assistant Corporate Secretary

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Chair Bethaida Gonzalez presided over the meeting. Vice President and Corporate Secretary Delince kept the Minutes.

## Introduction

Chair González welcomed committee members and the Authority's senior staff to the meeting. She said that the meeting has been duly noticed as required by New York State's Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Governance Committee Charter.

### 1. Adoption of the March 18, 2025 Proposed Meeting Agenda

On motion by member Koelmel and seconded by member Morris the agenda for the meeting was adopted. (5-0)

#### Conflicts of Interest

*Chair Gonzalez and members Koelmel, Trainor, Morris, Wheelock, Warren Jr. and Cusick declared no conflicts of interest based on the list of entities previously provided for their review.*

### 2. Motion to Conduct an Executive Session

On motion by member Morris and seconded by member Koelmel an Executive Session was held to discuss the financial and credit history of a particular corporation pursuant to §105(f) of the New York State Public Officers Law. (5-0)

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

On motion by member Morris and seconded by member Koelmel the meeting resumed in Open Session. (5-0)

Chair Gonzalez stated that no votes were taken during the Executive Session.

### 4. DISCUSSION AGENDA:

#### a. Diversity, Equity, Inclusion and Accessibility Update

Nancy Harvey, Chief Diversity, Equity & Inclusion Officer, presented the update noting the topics that will be discussed:

- How we're moving forward
- Introducing IDEALS
- Introducing 3 E's of Impact

#### ➤ DEI Continues to be Critical to High-Performing Teams and Achieving VISION2030

- NYPA and Canal Corporation (Canals) are committed to a more inclusive, accessible culture in which everyone can work, live, recreate and enjoy New York.
- NYPA believes everyone contributes, everyone belongs; our leaders and employee resource groups are helping to reinforce these values across the organization.
- Diversity, equity, inclusion, and accessibility continues to be critical to high-performing teams and achieving VISION2030.
- The Authority is following direction and guidance from Julissa Gutierrez, Chief Diversity Officer,

- as well as from Governor Hochul, who challenge the organization to foster an environment where success thrives while ensuring that those who feel left behind can see a path forward.
- The Office of Civil Rights and Inclusion (OCRI) team continues to work closely with NYPA's legal team to ensure they remain fully compliant with the law while continuing to build upon the organization's work.
  - Staying the course and continuing DEI's work under the board's direction to think big about NYPA's impact upon the state as an employer, economy and as an advocate for the environment.

➤ **Introducing Inclusion, Diversity, Equity. Accessibility, Leadership Strategy (IDEALS)**

- **Aligned on a Strategic Approach**

- Over the last year the team has worked cross-functionally to evolve the DEI working group into IDEALS.
- IDEALS developed the three E's for collective actions based on the organization's goals and values.
- IDEALS is a concise platform to improve how data is shared through storytelling and keeps NYPA stakeholders informed of the Authority's good intentions to be a good neighbor.

- **Three E's:**

- **Employer** – NYPA will be a manager and a magnet for the New York best, brightest, and most diverse talent.
- **Economy** – NYPA will grow an economy that works for all New York.
- **Environment** – NYPA will drive a just and equitable transition to New York's clean energy future.

Harvey noted IDEALS' objectives were established to evolve the strategic platform aimed to re-engage its members and inspire work across silos. The organization's work is a collaborative responsibility to ensure that VISION2030 is achieved, and can be a mechanism for feedback, and a resource to navigate the future together. Providing a lens that can offer leaders to better understand the implications of the organization's goals and equitably implementing VISION2030.

Back in September, the Authority aligned its strategic approach and will be leveraging the team's restructuring and time in monthly sessions. The goal is not to be gatekeepers or approvers, but rather valued Subject Matter Experts, providing crucial perspectives and recommendations to support leadership.

➤ **IDEALS is Focused on Marginalized and Low Income and Disadvantaged Communities (LIDAC)**

- IDEALS is a group of leaders committed to supporting marginalized and low-income disadvantaged communities as the identified most important and strategic space to focus on.
- Includes leaders from across all the strategic priorities and foundational pillars of NYPA.



- Collaborating with internal, external, and stakeholder groups to review the organization's policies, procedures, programs, and partnerships using a demographic lens to ensure equitable access for all.
- Advising NYPA and Canals leadership on creating action plans that center on inclusive values and address barriers and the protentional implications of executing the vision of the underrepresented and the LIDAC communities.

➤ **Purpose**

- The team has established its purpose and aligned how to share the impact that is aimed for.
- Remaining committed to the three E's of impact – Employer, Economy, and Environment.
- Aligning how the team communicates both internally and externally through the three E's of impact.

➤ **2025 Meeting Roadmap**

Harvey noted the preview of what's planned through June 2025 through the DEI Executive Leadership Summit that will be held and continues to evolve the program, building it out as the year continues.

➤ **Update in Governance of IDEALS**

- Reporting to the board and semi-annually to the Governance Committee.
- Working to understand the organization's trends.
- Having the Executive Management Committee (EMC) and President and CEO engaged in activities throughout the year for recommendations on actions.

➤ **Build Integrated Recommendations**

• **2024 Integrated Report**

- Pilot a cross-functional planning effort around economy – the economy pillar starting with a session on data and governance.
- Utilize the pilot to test planning templates and work through an action planning process to bring a streamlined approach to the other two pillars.
- Preparing for the 2024 Integrated Report planning to work to understand the trends, progress, and where action is needed.
- Plan to work through each of the three E's of impact to identify trends, understanding the data, how often data is reviewed, and how the organization communicates, and impact is measured.
- Examine employee participation percentage – access and eligibility to NYPA's programs. Monitoring shift impact results and the participation.
- Updates from SME on the team's progress toward key initiatives.

➤ **Thinking Big Sharing Our Impact**

- Employment – Creating a safe, respectful workplace where employees and customers feel welcome and psychologically safe. The team will look through Employee Resource Groups (ERGs) and external volunteer efforts to build community and develop the pipeline of future programs like the Pathways in Technology Early College High School (P-TECH) program along with policies that enable more people to bring their talent and full selves to NYPA and Canals.
- Economy – Addressing gaps in access for employees, customers and partners. Encompasses investing in the organization's diversified chain, growing annual spend and grants to local communities like On the Canals Accessibility Education Program.
- Environment – Advocating for clean energy solutions that lower costs and supporting communities, industries, and neighbors, increasing access to clean energy for all New Yorkers. Supporting and awarding underrepresented students pursuing a STEM degree in environmental justice communities and working toward careers in the energy industry.

Harvey noted that the usage of the three E's of impact framework enables the Authority to visualize the work across the organization from employer to economy to environment and supports NYPA's vision, mission and values.

**b. Artificial Intelligence (AI) Strategy Update**

Ronald Carroll, Vice President, Information Technology Product Development and Data Management, presented the update and the progress being made.

➤ **NYPA Artificial Intelligence (AI) Strategy Executive Summary**

• **Key Highlights**

- The team continues to make progress with the maturing of AI capabilities within the organization.
- Use case delivery, benefits and values being created.
- Continued engagement and leadership with partners across New York State and the energy industry.
- Continue to monitor changes at the state, federal, and AI industry level to determine benefits or potential impacts to NYPA and remain true to the approach to drive innovation through AI in a responsible way.

➤ **Enhancing Organizational Capabilities to Support AI**

• **Data Management**

- A key to having good AI, otherwise it would be suspect.

- Late 2024, the organization's data management capabilities were assessed, and a roadmap was developed, which is now being executed to support both AI and VISION2030.
- **Education, Communication and Adoption**
  - The Authority is rolling out new capabilities and looking to ensure people know what they are; how to use them; and, how to use them responsibly.
  - NYPA has developed an AI literacy program, visiting businesses units to explain new capabilities and how to benefit from their use.
  - Partnering with Communications to share successes both internally and externally.
- **Use Case Prioritization**
  - Generation AI (Gen AI) popularity has caused a rise in the “use case” numbers directed towards the Authority.
  - NYPA has developed a prioritization process that examines both the value of the use case and the feasibility to help with prioritization.
- **Governance and Risk Management**
  - NYPA conducted a pilot of the risk register and controls the organization created and tested it using the internal NYPA Chat GPT tool called Athena.
  - An Audit of Athena's delivery and controls reported no observations were found.
  - The Authority now utilizes the risk register to assess other AI applications.
- **AI Use Case Highlights**
  - **Athena Adoption, Usage and Benefits**
    - Since Athena's launch in October 2024, it has supported approximately 32,000 question-and-answer conversations.
    - Close to 700 employees are using Athena – reflecting approximately a 30% adoption rate.
    - NYPA looks to increase the usage of Athena by going to different business units to drive adoption rate up.
    - More than 70% are using Athena frequently – more than three times a week.
    - 32,000 conversations: less than \$2,200 total, which is relatively inexpensive to support the capabilities.
    - Athena is being used to draft emails, prepare for a presentation to the board, talking points and even more unique scenarios such as:
      - Running decarbonization scenario analyses
      - Examining year-end financial reports

- Making updates by pulling multiple documents together for key projects and passing them to Subject Matter Experts (SME) to validate accuracy.
- For public comments, NYPA is using Athena to generate code to identify information that is sensitive and can be published safely without risk of data exposure.

➤ **AI Use Case Highlights – Efficiency through Automation**

Carroll noted that there have been other use cases that have been delivered using Gen AI, robotic process automation, and other coding techniques. These processes are saving hours and enable employees to free up their capacity to work on other key initiatives.

➤ **Pilot of a Rapid Delivery Model: “Hackathon”**

- A one-day event bringing together Information Technology (IT) employees and business partners to work on a problem.
- The end goal is to deliver a solution.

Carroll said that in December 2024 NYPA hosted a “Hackathon” – an all-day event partnering with the Sustainability and Procurement departments, and the team tackled the challenges under Executive Order 22 (EO22) that has procurement requirements to be met when purchasing products – a manual process.

By the end of the day, the team delivered an AI-powered solution to automate the checks, improving efficiency and accuracy. The process still requires a “human in the loop” to validate and read the product but it gives the individual a head start in terms of the answer.

This “Hackathon” was an overall success, and a model that the organization plans to use going forward when examining future use cases.

➤ **External Engagement: NYPA Leading the State and Industry**

Carroll noted that Angelo del Toro, a senior at Genesee High School south of Syracuse and a student of the Puerto Rican and Hispanic Leadership Program, was working with classmates on a project to enable AI at their school. Del Toro and Carroll were connected by Trustee Gonzalez and the program to learn how NYPA implements AI, developed policies, and what a school policy might look like.

In February, Carroll met with Del Toro and his fellow students; they shared experiences and look forward to a continued relationship as they roll out their project.

Carroll said that NYPA continues to lead and participate in multiple industry groups related to AI and data.

- Carroll serves on the steering committee of the New York State Forum AI Group.
- NYPA is a member of Electric Power Research Institute (EPRI) Data Management Project.
- Presented at multiple industry and technology panels and conferences, including the Utilities Analytics Institute and EPRI.

Carroll added that NYPA is leveraging the expertise of the organization's technology and advisory partners to assist with the overall strategy to guide us forward.

➤ **Monitoring Legislation at the State/Federal Level and AI Technology Developments**

- **State Level**

- **New York State Loading Act** – Enacted late December 2024, the Act requires the examination of how government agencies are leveraging AI and automation to make decisions and limiting the number of automated decisions made.
- NYPA assessed the AI capabilities and the solutions that were delivered.
- In 2024, NYPA performed an inventory of all AI solutions enabling an easier assessment.
- All of the organization's solutions involve human oversight consistent with the principle of "human in the loop".
- NYPA continues to build a framework to evaluate new AI capabilities going forward.

- **Federal Level**

- **Executive Order** – January 2025, the order removed barriers to American Leadership in Artificial Intelligence, rolling back some prior orders. The action plan is due 180 days after the order was put in place. NYPA will continue to monitor and determine the impacts to the Authority.

- **Technology**

- **DeepSeek** – A new tool that generated significant attention. NYPA will continue to follow its approach with other AI advancements to ensure the organization is aligned with the guiding principles of responsible AI. Currently, the Authority does not have any use cases that would require the use of DeepSeek. If this changes then it will be tested in an isolated environment to determine its capabilities and roll out.
- **AI Agents** – Agents performing individual tasks.
- **Agentic AI** – Linking multiple agents to complete a workflow.

Carroll presented a brief demonstration of a solution that was built during the "Hackathon". The demo provided insight into the benefit of AI to quickly turn ideas into real, practical use cases.

**c. Committee Governance Update**

Joseph Gryzlo, Vice President and Chief Ethics and Compliance Officer, presented the update and introduced a new governance initiative at NYPA, led by the Ethics and Compliance Office relating to committee governance.

➤ **Inconsistent Committee Governance Practices: A Preventable Risk**

- **The Plan:**

- The formation, execution and dissolution of committees is of high importance to NYPA and Canals.
- Developed from an internal audit that contained relevant recommendations to enhance committee frameworks, standardization and value for the organization.
- Although the initiative is in its early stages, NYPA has already accomplished a significant assessment.

➤ **2025 Transition Period: Implementing and Educating**

- NYPA has developed and published a new company policy and related procedures.
- Provided training to all applicable employees on the new policy, including an attestestation.
- Created a governance committee portal on the NYPA Powernet page with frequently asked questions and other relevant information.
- Reviewing the inventory of known NYPA and Canals committees to ensure all have an executive sponsor at the executive management committee level and a comprehensive charter that will follow a standard framework.

Gryzlo noted that this initiative is not about the Ethics and Compliance Office looking to impose its judgment on committee purposes and outcomes; rather, it is to create efficiencies and retire obsolete committees and consolidate others in order to deliver more defined outputs. There is more to come on this initiative.

## **5. CONSENT AGENDA**

*On motion made by Member John Koelmel and seconded by Member Cecily Morris, all items on the Consent Agenda were unanimously approved. (5-0)*

- a. New York Power Authority and Canal Corporation Ethics and Compliance Program Report**
- b. Procurement and Related Reports for New York Power Authority and Canal Corporation (January – December 2024) -- Resolution**

### **RESOLUTION**

RESOLVED, that pursuant to Section 2879 of the Public Authorities Law and the Procurement and Related Reports for New York Power Authority and Canal Corporation, as amended, be, and hereby are, approved; and be it further

<b>Procurement and Related Reports</b>
--

NYPA Procurement Contracts Summary
Disposal of Personal Property
Supplier Diversity Program (SDP)
Inventory Statistics
Fossil Fuels Activity
Corporate Finance Activity
Transfer of Interest in Personal Property to Canal Corporation
Canal Corporation Procurement Contracts Summary
Canal Corporation Disposal of Personal Property

RESOLVED, That the Procurement and Related Reports, and hereby are, reviewed and approved; and be it further

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

**c. Annual Report of Procurement Contracts, and Annual Review of Open Procurement Service Contracts -- Resolution**

**RESOLUTION**

RESOLVED, that pursuant to Section 2879 of the Public Authorities Law and the Authority's and Canal's Procurement Guidelines, the Annual Report of Procurement Contracts, and the Guidelines for the use, awarding, monitoring and reporting of Procurement Contracts, as amended, be, and hereby are, approved; and be it further

RESOLVED, that the open service contracts exceeding one year be, and hereby are, reviewed and approved; and be it further

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

**d. Annual Review and Approval of Guidelines and Procedures for the Disposal and Acquisition of Real Property, and Annual Reports for the Disposal and Acquisition of Real Property – Resolution**

**RESOLUTION**

RESOLVED, That the Governance Committee recommends approval of the Authority's 2025 Real Property Disposal Guidelines, 2025 Real Property Acquisition Guidelines, 2024 Annual Report of the Disposal of Real Property in excess of \$15,000, 2024 Annual Report of the Acquisition of Real Property in excess of \$15,000 and 2024 Report of Acquisition and Disposal of Real Property to the

Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; and be it further

RESOLVED, that the Governance Committee recommends approval of the Canal Corporation's 2025 Canal Real Property Disposal Guidelines, 2025 Canal Real Property Acquisition Guidelines, 2024 Annual Report of the Disposal of Canal Real Property in excess of \$15,000, 2024 Annual Report of the Acquisition of Canal Real Property in excess of \$15,000 and 2024 Report of Acquisition and Disposal of Real Property to the Trustees and Board of Directors as required by Section C.5 of the Governance Committee Charter; and be it further

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

**e. Annual Review and Approval of Certain Policies for New York Power Authority and Canal Corporation -- Resolution**

**RESOLUTION**

RESOLVED, That the Governance Committee recommends that the New York Power Authority's Board of Trustees and the Canal Corporation's Board of Directors adopt the below listed policies pursuant to Section 2824 of the Public Authorities Law, Section 2 of Article II of the Authority's and the Canal Corporation's By-laws and Section (C)(1) of the Authority's and Canal Corporation Charters:

AND BE IT FURTHER RESOLVED, That the Governance Committee recommends that the Authority's Trustees and the Canal Corporation's Board of Directors authorize the President and Chief Executive Officer to modify the foregoing policies, as necessary, except in the event that any powers, duties or obligations of the Trustees and Board of Directors would be affected by such modification; and be it further

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

<b>NYPA Policy Name</b>	<b>Policy Number</b>	<b>Revision Date</b>
NYPA's Workplace Violence Policy	CP 1-8	10/1/2024
Equal Employment Opportunity Anti Harassment Anti Discrimination Policy	CP 1-14	3/25/2024
Gender-Based Violence and the Workplace Policy	CP 1-16	7/30/2024
Screen and Pre-Employment Bargaining Unit Positions at Operating Facilities	EP 1-4	2/25/2025
Separation from Service	EP 1.6	11/21/2023



Transfer or Re-Employment in Public Service	EP 1.9	1/27/2025
Foreign National Sponsorship Policy	EP 1.13	12/21/2023
Management Non-Exempt and Facility-Based Exempt Overtime	EP 2.4	12/12/2024
Management Exempt Emergency Crisis Response Compensation	EP 2.5	6/3/2024
Management Employee Categories and Eligibility for Benefits	EP 3.1	1/13/2025
Family and Medical Leave Act (FMLA)	EP 3.3	7/2/2024
Employee Assistance Program	EP 3.5	1/31/2025
Tuition Reimbursement	EP 3.6	02/21/2024
Relocation Benefits for New and Transferred Employees	EP 3.8	01/14/2025
Management Time Away from Work	EP 3.12	02/25/2025
Performance Improvement	EP 4.2	05/9/2024
Fitness for Duty	EP 4.5	5/29/2024
Attendance and Flexible Hours	EP 4.6	3/3/2025
No Smoking Policy	EP 4.7	10/31/2024
Employee Resource Group Policy	HR-ERG-BUP-001	04/23/2024
Code of Conduct		
Anti-Retaliation Policy	CP 1-7	9/25/2021
<b>Canal Policy Name</b>	<b>Policy Number</b>	<b>Revision Date</b>
2025 Seasonal and Occasional PEF Transportation Construction Inspector (TCI) Rates	ASB-2025-002	1/21/2025
Rehired Retiree Eligibility for Accruals/Holiday Pay	ASB-2024-018	
Driver License Requirements and Verification Procedure	ASB-2024-023	12/1/2024
Assignment and Use of Canal Corporation Vehicles	CADM-POL-001	6/2/2022
Reasonable Accommodation in Public Programs and Services for People with Disabilities	CADM-POL-004	9/5/2023
Reasonable Accommodation of Religious Observances or Practices	CADM-POL-005	9/5/2023
Reasonable Accommodation of Disabilities Pregnancies and Domestic Violence	CADM-POL-006	9/5/2023
Nursing Related Rights Policy	CADM-POL-007	10/17/2023
Attendance Rules	CCP-2022-001	10/7/2022
MC Handbook	CCP-2025-001	02/2025
Succession Planning	CGP-2023-002	12/15/2023
Gender Based Violence in the Workplace	CGP-2022-004	12/7/2022
Positive Workplace Policy	CGP-2022-003	2/15/2023
Salary Administration Manual		10/2024
Social Leave for Holiday Luncheons 2024		10/28/2024
Social Leave for Holiday Luncheons 2024 HQ Employees		11/26.2924

**f. New York Power Authority and Canal Corporation 2024 Annual Board Evaluation Pursuant to Sections 2800 and 2824 of the Public Authorities Law and Guidance of the Authorities Budget Office -- Resolution**

**RESOLUTION**

RESOLVED, Pursuant to Sections 2800(1)(a)(15) and 2800(2)(a)(15) and Section 2824(7) of the Public Authorities Law and Guidance of the Authorities Budget Office, the Authority and Canal Board is required to annually submit a summary of the Board Evaluation to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the Authorities Budget Office, within 90 days after the end of its fiscal year; and be it further

RESOLVED, the Governance Committee recommends the adoption of the 2024 Annual Board Evaluation Summary to the Authority's Board of Trustees and the Canal Corporation's Board of Directors as required by Section C (2) of the Governance Committee Charter.

RESOLVED, That pursuant to Sections 2800(1)(a)(15) and 2800(2)(a)(15) and Section 2824(7) of the Public Authorities Law and Guidance of the Authorities Budget Office, the 2024 Annual Board Evaluation Summary is hereby adopted and the Corporate Secretary is hereby authorized to submit to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller, and the Authorities Budget the adopted 2024 summary; and be it further

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

**g. Annual Review and Approval of Guidelines for the Investment of Funds and 2024 Annual Report on Investment of Authority Funds -- Resolution**

**RESOLUTION**

RESOLVED, that the Committee recommends that the Trustees adopt the Annual Report on Investments of the Authority Funds and adopt the Guidelines for the Investment of Funds to support the continued growth of and strengthen the fiduciary controls over the internal investment portfolio, and approve the debt service and operating reserve levels (\$175 million and \$104 million, respectively) as discussed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

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

**h. Strategic Plan and Mission Statement – Resolution**

**RESOLUTION**

RESOLVED, That the Governance Committee recommends that the Authority's Trustees approve the 2025 Mission Statement and Strategic Plan at their March 25, 2025 meeting, as discussed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

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

**i. Approval of the Minutes of the Joint Meeting of the New York Power Authority and Canal Corporation Governance Committee held on October 16, 2024**

On motion made and seconded the Minutes of the joint meeting held on October 16, 2024, were unanimously adopted. (5-0)

**6. Next Meeting**

Chair Koelmel said that the next Finance Committee Meeting is scheduled for Tuesday, October 14, 2025.

**Adjournment**

On motion made by member Morris and seconded by member Koelmel the Governance Committee meeting was adjourned at 11:49 a.m. (5-0)



Karen Delince  
Vice President & Corporate Secretary



**NY Power  
Authority**

**Canal  
Corporation**

**October 14, 2025**

**Next Meeting**

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