Introduction

This Policy, established pursuant to Section 2879 of the New York State Public Authorities Law, sets forth the guidelines of the New York State Thruway Authority (Authority) regarding the Authority’s use, awarding, monitoring and reporting of Procurement Contracts. These guidelines are not intended and shall not be deemed to grant or confer any rights or remedies to or upon any third party.

Except as otherwise provided herein, all Authority Procurement Contracts are subject to this Policy. Attachment 1 sets forth a representative (but not exclusive) list of the types of goods purchased, and a description of those areas of responsibility and oversight requiring the use of services and the reasons for the use of services in such areas.

I. Definitions

A. “Emergency” shall mean an unanticipated, sudden or unexpected event or escalation of an event beyond the control of the Authority which, if not immediately corrected, would endanger: a) the life, health, safety or welfare of any person, or b) the continued public use or function of a transportation or other facility or property of the Authority or the State of New York.

B. “Foreign Business Enterprise” shall mean 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 and which are substantially produced outside New York State, or services sought by the Authority and which are substantially performed outside New York State. For purposes of construction services, a Foreign Business Enterprise shall mean a business enterprise, including a sole proprietorship, partnership or corporation, which has its principal place of business outside New York State.

C. “Minority Owned Business Enterprise” shall have the same meaning as that set forth in Public Authorities Law Section 2879.

D. “New York State Business Enterprise” shall mean any business enterprise which offers for sale, lease or other form of exchange, goods or services sought by the Authority which are substantially manufactured, produced, assembled or performed within New York State.

E. “New York State Resident” shall have the same meaning as that set forth in Public Authorities Law Section 2879.
F. “Procurement Contract” shall mean any written agreement for the acquisition of goods or services of any kind, in the actual or estimated amount of fifteen thousand dollars ($15,000) or more. Construction contracts and design-build contracts are included within the scope of the definition of a Procurement Contract pursuant to this Policy, but are not Procurement Contracts pursuant to Public Authorities Law Section 2879.

G. “Professional Firm” shall mean any individual or sole proprietorship, partnership, corporation, association or other legal entity permitted by law to practice the professions of architecture, engineering or surveying.

H. “Service Disabled Veteran Owned Business Enterprise” shall have the same meaning as that set forth in Article 17-B of the Executive Law Section 369-H.

I. “Women Owned Business Enterprise” shall have the same meaning as that set forth in Public Authorities Law Section 2879.

II. Selection of Contractors for Goods

Except as otherwise provided in this Policy, the Authority shall award Procurement Contracts for goods to the lowest responsible bidder as will best promote the Authority’s interests, taking into consideration: the reliability of the contractor; the quality of the goods to be furnished; the goods’ conformity with the specifications; the terms of delivery; and/or such other criteria as the Authority determines appropriate. The Authority shall solicit bidders for applicable contracts pursuant to Article 4-C of the New York State Economic Development Law (e.g., advertise in the Contract Reporter). The Authority shall solicit price quotes from at least three (3) sources, if available.

III. Selection of Contractors for Services

A. The Authority may contract for services when, because of one or more of the following factors or considerations, it is more beneficial for such services to be contracted for than performed by employees of the Authority:

1. lack of or unavailability of sufficient staff, facilities, equipment or other resources;

2. requirement of special expertise or abilities not adequately possessed by Authority employees;

3. timing;

4. short term or infrequent need for the service; or

5. distance of the location(s) where the services must be performed from Authority offices or facilities.
B. Except as otherwise provided in this Policy, the Authority shall award Procurement Contracts for professional services, except those to Professional Firms, to a responsive and responsible contractor on the basis of best value, taking into account: the contractor’s experience and capability to perform the required services, the adequacy of contractor’s staff to be assigned to Authority work, the overall quality and responsiveness of the contractor’s proposal, the contractor’s fee structure and overall price; and/or such other criteria as the Authority determined appropriate. Procurement Contracts for construction and design-build services shall be awarded in compliance with all applicable laws. The Authority shall solicit proposals for applicable contracts pursuant to Article 4-C of the New York State Economic Development Law (e.g., advertise in the Contractor Reporter). The Authority shall solicit price quotes from at least three (3) sources, if available.

C. The Authority shall award Procurement Contracts for the services of Professional Firms on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable fees. The Authority shall not refuse to negotiate with a Professional Firm solely because the ratio of the “allowable indirect costs” to direct labor costs of the Professional Firm or the hourly labor rate in any labor category of the Professional Firm exceeds a limitation generally set by the Authority in the determination of the reasonableness of the estimated cost of services to be rendered by the Professional Firm, but rather the Authority should also consider the reasonableness of cost based on the total estimated cost of the service of the Professional Firm which should include, among other things, all the direct labor costs of the Professional Firm for such services plus all “allowable indirect costs,” other direct costs, and negotiated profit of the Professional Firm. “Allowable indirect costs” of a Professional Firm are defined as those costs generally associated with overhead which cannot be specifically identified with a single project or contract and are considered reasonable and allowable under specific state contract or allowability limits.

D. The Director of Purchasing may, in consultation with the appropriate Authority program managers, designate those services other than the services of Professional Firms for which cost will be the only criterion for determining best value.

IV. Waiver of Competition

The Authority Board may waive the use of the competitive procedure for Procurement Contracts provided in this Policy based upon one or more of the following findings:

A. There is a need to respond to an Emergency.

B. A condition exists that makes it impractical or not in the Authority’s best interest to seek competition due to the specialized nature of the goods or services required.
C. There is a historical relationship, the continuation of which is in the best interests of the Authority.

D. There is a need for confidentiality.

E. The proposed project requires specialized knowledge of, or proximity to, the Authority.

F. There is a requirement for which, in the sole opinion of the Authority, there is a lack of responsible competition to perform the desired services.

G. There is a specific contractor selection that is necessary or convenient to the operations of the Authority.

H. The purchase of goods or services will be from small business concerns or certified Minority Owned or Women Owned Business Enterprises, or the purchase is for goods or technology that are recycled or remanufactured, in an amount that does not exceed five hundred thousand dollars ($500,000).

V. General Procurement Requirements

A. The Authority shall ensure that its Procurement Contracts in an amount equal to or in excess of fifty thousand dollars ($50,000) comply with the public notification requirements of Article 4-C of the New York State Economic Development Law.

B. The Authority shall not enter into a Procurement Contract with any current or former officer or employee of the Authority where such contract would be in contravention of law or would create a conflict of interest.

C. The Authority shall submit all Procurement Contracts in excess of fifty thousand dollars ($50,000) to the New York State Comptroller’s Office for approval.

D. The Executive Director must approve all contractor selections for Procurement Contracts for services based upon the recommendation of either the Non-Engineering Personal Services Committee or the Engineering Selection Committee.

E. The Authority may utilize the Procurement Contracts of other Federal, State or local entities to purchase goods or services provided it would be in the Authority’s best interests to do so.

F. The Authority shall comply with State Finance Law Sections 139-j and 139-k that place restrictions on attempts to influence during the procurement process, require the recording of attempts to influence made during the restricted period for a procurement, and outline the responsibilities of offerors relative to the procurement process.
G. The Authority will perform an affirmative review of a contractor’s responsibility, in accordance with applicable laws, rules, regulations and guidelines, prior to the award of a Procurement Contract. This review shall be designed to provide reasonable assurance that the proposed contractor is responsible and should consider such issues as: integrity; performance on other governmental contracts; legal ability to supply the product or perform the services; and financial and organizational capability.

H. The Authority will create a record for each Procurement Contract that documents its compliance with this Policy.

VI. Participation of Minority and/or Women-Owned Business Enterprises (MWBEs)

It is the policy of the Authority to comply with the provisions of Article 15-A of the New York State Executive Law, which requires that every Procurement Contract over $25,000 will afford equality of economic opportunities for minority group members and women and the facilitation of participation by MWBEs. The Authority shall establish separate goals for participation of MWBEs on all Authority contracts where applicable. Furthermore, if the performance of any Procurement Contracts permits or requires the use of a subcontractor, these contracts shall require the prime contractor to act affirmatively to encourage participation by MWBEs in such subcontract and to report the nature and extent of such efforts to the Authority.

All Procurement Contracts, where required, shall comply with Executive Law Article 15-A and the Public Authorities Law, and rules and regulations promulgated thereunder.

A. In furtherance of the above, and to promote the use of certified MWBEs in Procurement Contracts, the Authority shall:

1. Designate appropriate staff to oversee the Authority’s programs established to promote and assist: (i) participation by certified MWBEs in the Authority’s procurement opportunities and facilitation of the award of Procurement Contracts to such enterprises; (ii) the utilization of certified MWBEs as subcontractors and suppliers by entities having Procurement Contracts with the Authority; and (iii) the utilization of partnerships, joint ventures or other similar arrangements between certified MWBEs and other entities having Procurement Contracts with the Authority. Such staff will be familiar with the procurement process utilized by the Authority, report directly to the Executive Director and either directly or through their designees participate in the procurement process.

2. Establish appropriate goals for participation of MWBEs in Procurement Contracts and for the utilization of MWBEs as subcontractors and suppliers.
3. Provide notice of any procurement to appropriate professional organizations that serve MWBEs so that members of these organizations are apprised of potential opportunities to contract with the Authority.

4. Include language regarding equal employment opportunity and non-discrimination in all Procurement Contracts and/or all documents soliciting bids or proposals for Procurement Contracts, and require the contractor to include this language in all subcontracts.

5. Include a provision in the Authority’s Procurement Contracts expressly providing that any contractor who willfully and intentionally fails to comply with the MWBE participation requirements as set forth in the contract shall be liable to the Authority for liquidated or other appropriate damages as may be determined by the Authority.

6. Maintain lists of qualified certified MWBEs that have expressed an interest in doing business with the Authority and ensure such entities receive direct notice of any impending procurements. The Authority shall also consult the lists of certified MWBEs maintained by the Department of Economic Development.

7. List applicable goals for participation of certified MWBEs in Procurement Contracts in all solicitations and for the utilization of MWBEs as subcontractors and suppliers by entities having Procurement Contracts with the Authority.

8. Conduct procurements in a manner that will enable the Authority to achieve the maximum feasible portion of the goals established and eliminate barriers to participation of MWBEs on Procurement Contracts. The Authority shall include, without limitation:
   a. the expected degree of MWBE participation;
   b. provisions relating to joint ventures, under which a bidder may count toward meeting its MWBE participation goal;
   c. provisions under which the Authority may waive obligations of the contractor relating to MWBE participation after a showing of good faith efforts to comply with the requirements of this Policy and all applicable laws pursuant to the waiver provisions contained in Executive Law Article 15-A; and
   d. verification that MWBEs listed in a successful bid are actually participating to the extent listed on the project for which the bid was submitted.
B. In implementing the provisions of this Section VI, the Authority shall:

1. Consider, where practicable, the severability of construction projects and other bundled projects;

2. Implement a program that will enable it to evaluate each Procurement Contract to determine the appropriateness of the established goal;

3. Consider compliance with the requirements of any federal law concerning opportunities for MWBEs which effectuates the purpose of this section; and

4. Consult the most recent disparity study pursuant to Article 15-A of the Executive Law.

VII. Participation of Service-Disabled Veteran-Owned Business Enterprises (SDVOBEs)

It is the policy of the Authority to comply with the provisions of Article 17-B of the New York State Executive Law, which requires that every Procurement Contract over $25,000 will afford equality of economic opportunities to certified SDVOBEs thereby further integrating such businesses into New York State’s economy. The Authority will make a good faith effort to achieve SDVOBE participation to the extent such firms are available, and will use its best effort so that SDVOBE firms are included in Procurement Contracts. All Procurement Contracts, where required, shall comply with Executive Law Article 17-B. The Executive Director shall appoint one or more senior staff to oversee the Authority’s SDVOBE program.

Before the Authority issues bid documents, or during the Authority’s bid development phase, the Authority’s procurement staff will consult the Directory of SDVOBEs posted on the OGS website to determine whether the solicitation may be considered for a SDVOBE goal.

Authority staff will also review the Directory of SDVOBEs prior to making discretionary purchases and choose SDVOBEs when feasible.

All procurements subject to Executive Law Article 17-B will contain standard language in solicitations and Procurement Contracts regarding participation of SDVOBEs on State contracts.
VIII. Promotion of New York State Business Enterprises and New York State Residents in Procurement Contracts

The Authority shall promote and solicit the participation by New York State Business Enterprises and New York State Residents in Procurement Contracts in compliance with Public Authorities Law Section 2879 and shall develop procedures consistent with such.

IX. Requirements Regarding Foreign Business Enterprises and Discriminatory Jurisdictions

The Authority will follow the requirements and procedures of Public Authorities Law Section 2879(5) with respect to Procurement Contracts with Foreign Business Enterprises. Accordingly, the Authority shall notify the Department of Economic Development of the award of a Procurement Contract for the purchase of goods or services from a Foreign Business Enterprise in an amount greater than or equal to one million dollars simultaneously with notifying the successful bidder. The Authority will not enter into any such Procurement Contract until at least 15 days have elapsed from notice to the Department of Economic Development, except where the Procurement Contract was awarded on an emergency or critical basis or where the Commissioner of Economic Development waives the notice requirement.

In addition, pursuant to Public Authorities Law Section 2879(5), the Authority will impose restrictions on Foreign Business Enterprises located in Discriminatory Jurisdictions with respect to the solicitation and award of Procurement Contracts.

X. Procurement Contract Provisions

To the extent deemed appropriate by the Executive Director and the General Counsel, Procurement Contracts may include, but should not necessarily be limited to, the following provisions:

A. Scope of Services
B. Compensation and Allowable Expenses
C. Payment Methodology
D. Term or Time for Performance
E. Personnel, Equipment and Supplies
F. Standards of Performance
G. Independent Contractor
H. Subcontracting
I. Insurance and Bond Requirements
J. Liability and Indemnification
K. Ethics
L. Confidentiality and Non-Disclosure
M. Lobbying Law Certification
N. Public Announcements
O. Interchange of Data
P. Environmental Review
Q. Damages for Delay
R. Suspension, Abandonment and Termination
S. Severability Clause
T. Non-Assignment Clause
U. Comptroller Approval
V. Workers’ Compensation and Disability Benefits
W. Non-Discrimination Requirements
X. Wage and Hours Provisions
Y. Non-Collusive Bidding Certification
Z. International Boycott Prohibition
AA. Set-Off Rights
AB. Records
AC. Identifying Information and Privacy Notification
AD. Equal Employment Opportunities for Minorities and Women
AE. Conflicting Terms
AF. Governing Law
AG. Late Payment
AH. No Arbitration
AI. Service of Process
AJ. Prohibition on Purchase of Tropical Hardwoods
AK. MacBride Fair Employment Principles
AL. Omnibus Procurement Act of 1992
AM. Reciprocity and Sanctions Provisions
AN. Purchases of Apparel
AO. Observance of Laws
AP. No Waiver of Provisions
AQ. Entire Agreement
AR. Iranian Energy Sector Divestment
AS. Promotion of New York State Business Enterprises and New York State Residents in Procurements
AT. Contractor Requirements and Procedures for Business Participation Opportunities for New York State Certified MWBEs
AU. Participation Opportunities for New York State Certified SDVOBEs
AV. Ensuring Pay Equity (Executive Order No. 162)
AW. Prohibiting Contracts with Entities that Support Discrimination (Executive Order No. 177)
XI.  Delegations

The Authority Board must approve all Procurement Contracts unless such approval has been otherwise delegated in this Policy.

A.  The Executive Director or the Executive Director’s designee is authorized to:

1.  Execute any Procurement Contract, including any amendments thereto, for expenditures in an amount not to exceed three hundred thousand dollars ($300,000) provided that a Procurement Contract for professional services with a term in excess of one year shall require the Board’s review and approval within one year of execution of the Procurement Contract.

2.  Approve an increased expenditure by the Authority not to exceed three hundred thousand dollars ($300,000) for any Procurement Contract previously approved by the Authority Board.

3.  Approve or extend Procurement Contracts for a period in excess of one year provided such contract or extension does not exceed three hundred thousand dollars ($300,000); provided that Procurement Contracts for professional services may not be extended for a period in excess of one year without approval of the Board.

4.  Waive the use of a competitive procedure for any Procurement Contract needed to respond to an Emergency in accordance with the procedure set forth in the Authority Procedure for Declared Emergency Work and/or the Board resolution authorizing the Authority’s Contracts Program.

5.  Waive the use of a competitive procedure for any Procurement Contract in an amount not to exceed three hundred thousand dollars ($300,000) when the Executive Director or the Executive Director’s designee finds one or more of the conditions set forth in Article IV. B. - H. of this Policy to be present.

6.  Interpret, implement and administer this Policy, including the development of operational and/or administrative policies, guidance and procedures necessary to carry out its intent. These operational and/or administrative policies should, at a minimum, identify the roles and responsibilities of Authority personnel implementing and administering this Policy and the manner in which those responsibilities are to be fulfilled.
7. Appoint a Procurement Integrity Officer whose responsibilities shall include the establishment of processes to prevent or detect improper lobbying influence, to provide guidance to program managers regarding vendor responsibility determinations, to administer the Contract Review and Vendor Responsibility Committee, and to ensure the Authority is in compliance with applicable executive orders, laws, rules and regulations regarding procurement integrity and vendor responsibility.

B. The Director of Purchasing or the Director of Purchasing’s designee is authorized to execute Procurement Contracts for goods provided the process used to procure such goods is in accordance with Authority procedures, and the contractor was selected based on a solicitation for bids. The Director of Purchasing may, without a formal competitive process, execute any Procurement Contract for the purchase of goods from a small business concern or certified MWBE, or for goods or technology that are recycled or remanufactured, in an amount not to exceed five hundred thousand dollars ($500,000).

C. Procurement Contracts involving the Authority’s Contracts Program shall be awarded, amended/supplemented and managed by the Chief Engineer, Executive Director and Chief Financial Officer pursuant to the Board resolutions authorizing the Authority’s Contracts Program.

XII. Review and Reporting Requirements

A. In accordance with Public Authorities Law Section 2879, the Authority Board shall annually review and approve this Policy.

B. Information related to Procurement Contracts involving the Contract Program shall be included in the submittal to the Board seeking authorization for the Contracts Program for the Board’s review and approval.

C. The Executive Director shall report to the Board quarterly on all Procurement Contracts or amendments thereto that he or she has executed pursuant to Article XI. A. of this Policy.

D. Following each fiscal year, the Authority Board shall approve an annual report on Procurement Contracts as required by subdivision 7 of section 2879 of the Public Authorities Law. Such annual report will include: (i) this Policy and any amendments hereto; (ii) an explanation of this Policy and any amendments hereof; (iii) a list of the year’s Procurement Contracts and their status and selection process; (iv) a list of the aforesaid contracts entered into with New York State Business Enterprises (as defined in Public Authorities Law, Section 2879(3)(i)), and the
subject matter and value thereof; (v) a list of the aforesaid contracts entered into with Foreign Business Enterprises and the subject matter and value thereof; (vi) a list of contracts entered into with certified MWBEs and value thereof; (vii) all referrals made and all penalties imposed pursuant to Executive Law Section 316; and (viii) a list of Procurement Contracts exempted from reporting in the Contract Reporter and the basis for each exemption. The annual report on Procurement Contracts, after being approved by the Board, shall be submitted to the Division of the Budget with copies to the Department of Audit and Control, the Department of Economic Development, the Senate Finance Committee and the Assembly Ways and Means Committee.

XIII. Miscellaneous Provisions

A. The Authority’s failure to comply with the provisions of this Policy shall not alter, modify the terms of, affect the validity of, or impair any of the Authority’s rights or privileges under any Procurement Contract to which the Authority is a party.

B. The Authority may allow other Federal, State or local entities to purchase goods or services through an Authority Procurement Contract provided it would be in the Authority’s best interests to do so and such procurement is acceptable to the contractor.
ATTACHMENT 1

A. Types of Goods Purchased

The following is an illustrative (but not exclusive) list of the types of goods the Authority has purchased in the past and may purchase in the future:

- Office equipment, furniture and supplies such as fax machines, copiers, audio/video equipment, copier toner and paper;
- Computer equipment and supplies such as mainframe components and related equipment, personal computers, software, and peripheral equipment, accessories and supplies;
- Heavy construction equipment such as bulldozers, wheel loaders, crawler loaders, excavators and pavers;
- Marine fleet vessels and related equipment such as barges, tugs and marine generators;
- Motorized automotive truck fleet and related equipment such as diesel and gas trucks of all sizes, plow trucks, plow attachments, material spreaders, aerial lift trucks and tow trucks;
- Prefabricated buildings, building equipment such as furnaces, boilers, and air conditioners, and building maintenance equipment and supplies;
- Uniforms for employees;
- Road maintenance materials such as salt, ice control abrasives and de-icing solutions;
- Highway construction materials such as asphaltic materials, sand, stone, gravel and ready-mix concrete;
- Property maintenance equipment and supplies such as mowers, tractors and associated equipment;
- Telecommunication systems utilizing conventional and fiber optic technologies including cell phones, pagers, telephone switching equipment, radios, radio towers, equipment and accessories;
• Intelligent transportation systems equipment supporting E-ZPass® and automatic vehicle identification (AVI);

• Sign fabrication materials, equipment and supplies including aluminum sheets and sign blanks, reflective sheeting and sign making machines;

• Building security systems, fire alarms and suppression systems, and card access and badging systems.

B. Types of Services Purchased

The Authority purchases services for a variety of reasons including, but not limited to, the need to: augment in-house staff; provide expertise in specialized areas; provide independent review; serve as a liaison with certain entities; and handle specialized matters expeditiously. The following is an illustrative (but not exclusive) list of the types of services the Authority has purchased in the past or may purchase in the future:

• **Legal**
  Provide legal services to the Authority in the areas of bond and note financing, environmental review compliance, litigation, real property matters, labor issues, intellectual property, technology and computer law, insurance law and government relations.

• **Construction**
  Construction, reconstruction, repair, rehabilitation, and improvement of highway, bridges and other facilities under the jurisdiction of the Authority.

• **Expert Witness**
  Provide the Authority with expert analysis of issues raised in litigation and serve as expert witness at trial as needed. Such issues may include, but shall not be limited to: medical assessment of personal injuries, economic analysis of potential lost earnings and accident reconstruction.

• **Audit and Accounting**
  Provide audit services pertaining to the year-end preparation of financial statements for the Authority in conformance with generally accepted accounting principles. Perform special audits and provide financial advisory services as requested.

• **Building Maintenance and Security**
  Provide building maintenance services such as janitorial, HVAC, rubbish removal, electrical preventive maintenance, elevator inspection and maintenance, and security, including guards.
• **Investment Banking**
  Competitive sales: Purchase and distribute Authority debt issuances. Negotiated sales: Provide assistance in the preparation, sale, marketing and distribution of Authority debt issuances.

• **Environmental**
  Provide environmental services such as hazardous waste removal and disposal, asbestos removal, air quality testing and weather forecasting.

• **Financial/Transportation/Counting**
  Provide courier and money counting services from toll facilities to banking facilities and Dun and Bradstreet financial reporting.

• **Trustee Banking Services**
  Provide banking services to monitor the timely receipt of debt service payments, compliance and reserve requirements, retirement of debt, collateral evaluations and other services as required by the various debt resolutions.

• **Communications**
  Provide radio and intercom installation, highway advisory radio installation and radio tower installation.

• **Engineering**
  Provide engineering services for Authority owned or operated facilities, including but not limited to, design and construction inspection engineering services.

• **Architectural**
  Provide architectural services for Authority owned or operated facilities.

• **Surveying**
  Provide surveys of Authority owned properties to establish boundaries, utility locations, etc.

• **Real Property Advisory Services**
  Assist the Authority with evaluations of Authority property including the value and potential uses thereof.

• **Computer Programming Services**
  Assist the Authority with the design, implementation and operation of computer programs that will enable the Authority to function more efficiently.
• **Health**  
  Provide health care services such as medical testing, nursing and prescription eyeglass services.

• **Equipment Maintenance**  
  Provide routine service and repair of office, data processing, bridge, building, highway maintenance and motorized equipment.

• **Risk Management Consulting**  
  Provide risk management services to assist the Authority with its insurance program.

• **Training**  
  Provide supervisory and special skills to Authority employees.

• **Printing**  
  Provide financial printing services based upon specifications and detail developed by the Authority. Provide various technical printing services relative to the reproduction of forms and other printed matter. Provide technical, graphic, layout and printing services in connection with production of the Authority’s annual report and any other reports, brochures, maps or printed matter that may be necessary or desirable.