

**NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY'S
POLICY ON THE PROCUREMENT OF GOODS AND SERVICES**

Adopted June 6, 2006

Amended March 20, 2009, June 18, 2010 and October 10, 2012

I. INTRODUCTION

In accordance with the requirements of Section 2824(1)(e) of the Public Authorities Law, the following comprehensive guidelines (“Guidelines”) set forth the New York City Municipal Water Finance Authority’s (the “Authority’s”) operative policy and instructions regarding the procurement of goods and services. It is the policy of the Authority to encourage participation by minority and women-owned business enterprises in providing goods and services to the Authority.

II. SELECTION CRITERIA FOR CONTRACTS FOR GOODS AND SERVICES

1. Goods and Services Costing Less Than \$7,500

For procurements of goods and services the value of which is less than \$7,500 in any single fiscal year, no competition is required except that in making purchases below this limit, the Authority staff shall ensure that the price is reasonable. Documentation of such purchases shall identify the contractor the item was purchased from, the item purchased, and the amount paid. Contracts for goods and services the value of which is less than \$7,500 in any single fiscal year shall not require approval of the Board of Directors of the Authority.

2. Letters of Credit and Liquidity Facilities

Letters of credit and liquidity facilities may be entered into by the Authority in connection with the issuance of variable rate debt. Such letters of credit and liquidity facilities should be selected by competitive process where possible, provided, however, that in the event of market conditions such as occurred in the credit markets after 2008, the Authority may enter into letters of credit and liquidity facilities, and extend the terms of or replace such letters of credit or liquidity facilities, without a competitive process, based on the Chief Executive Officer’s, Executive Director’s or Treasurer’s determination that the terms are fair and reasonable. Such Extensions and replacements shall not require specific action by the Board of Directors of the Authority.

3. All Other Goods and Services

Contracts for goods and services the value of which is \$7,500 or more in any single fiscal year are to be awarded on a competitive basis to the maximum extent possible, in accordance with the general procedures set forth below and pursuant to the Authority's Policy on Minorities, Women and Contracts.

4. Proposals or Bids may be solicited as follows:

- i. **Requests for Proposals:** Where practicable, written requests for proposals ("RFPs") shall be issued by the Authority. RFPs shall set forth the nature of the goods or services the Authority is seeking to procure, including specifications where applicable or available, and shall solicit proposed prices, fees, charges or billing rates, where appropriate. RFPs shall contain such other information and shall request from proposers such other information as the Authority may deem necessary or desirable. RFPs shall be advertised in at least one appropriate periodical.
- ii. **Telephone or letter solicitation:** Proposals may be solicited from contractors by letter or telephone, where the Contracting Officer determines that the issuance of an RFP is impracticable or unnecessary. Where practicable, proposals should be solicited from at least three contractors.

5. Evaluation:

For personal services contracts, the technical merits of the proposals, the experience and capabilities of the proposing person or firm and any prior experience that Authority staff may have had with the proposing person or firm will be significant factors in selecting the contractor, provided that the price, fees, charges, or billing rates for performing the services are reasonable and competitive in light of such experience and capabilities. The Authority may determine not to select a person or firm where information is obtained which indicates that the person or firm is not qualified as responsive or responsible based upon such criteria as the Authority may deem appropriate for the procurement.

6. Waiver of Selection Criteria

Notwithstanding any requirement of these Guidelines, contracts may be awarded to persons or firms on a non-competitive basis, without regard to the procedures set forth above, when the

Contracting Officer of the Authority determines that circumstances such as any of the following exist:

- i. In the event an emergency or other extraordinary circumstances exist which make competition impracticable or inappropriate;
- ii. Only one source for the goods or services is reasonably available;
- iii. Legal services or other specialized services are required for which a certain person or firm's expertise is unique;
- iv. Continuation of existing services or purchasing goods from a previous supplier firm is desirable for purposes of continuity or compatibility;
- v. A person or firm has superior qualifications to perform the service or provide the goods at a cost that is determined to be fair and reasonable; or
- vi. Information is obtained which indicates that persons or firms which were invited to submit proposals are not qualified, responsive or responsible based upon the appropriate criteria for the project.
- vii. In the event that the City of New York (the "City") or another governmental unit can provide or cause to be provided needed services pursuant to contracts entered into by the City or another governmental unit and the Authority determines that it is in the best interest of the Authority to avail itself of such opportunity.

If a contract is awarded pursuant to a waiver, the Board of Directors of the Authority shall be notified.

III. APPLICABILITY OF MACBRIDE FAIR EMPLOYMENT PRACTICES

With respect to contracts governed by these Guidelines, the Authority shall not contract for services with any contractor who does not agree to stipulate to the MacBride Principles Provisions for New York City Contractors pursuant to Section 6-115.1 of the Administrative Code of the City of New York as amended from time to time. A copy of such provisions, which is Appendix A to these Guidelines, shall be appended to all contracts governed by these Guidelines.