NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY'S POLICY ON THE PROCUREMENT OF GOODS AND SERVICES

Adopted April 24, 2009
and Amended May 17, 2010 and September 27, 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 Transitional 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 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.

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

APPENDIX A

MACBRIDE PRINCIPLES PROVISIONS FOR NEW YORK CITY CONTRACTORS

ARTICLE 1. MACBRIDE PRINCIPLES

Local Law No. 34 of 1991 became effective on September 10, 1991 and added section 6-115.1 to the Administrative Code of the City of New York. The local law provides for certain restrictions on City Contracts to express the opposition of the people of the City of New York to employment discrimination practices in Northern Ireland and to encourage companies doing business in Northern Ireland to promote freedom of workplace opportunity.

Pursuant to Section 6-115.1, prospective contractors for contracts to provide goods or services involving an expenditure of an amount greater than ten thousand dollars, or for construction involving an amount greater than fifteen thousand dollars, are asked to sign a rider in which they covenant and represent, as a material condition of their contract, that any business in Northern Ireland operations conducted by the contractor and any individual or legal entity in which the contractor holds a ten percent or greater ownership interest and any individual or legal entity that holds a ten percent or greater ownership interest in the contractor will be conducted in accordance with the MacBride Principles of nondiscrimination in employment.

Prospective contractors are not required to agree to these conditions. However, in the case of contracts let by competitive seal bidding, whenever the lowest responsible bidder has not agreed to stipulate to the conditions set forth in this notice and another bidder who has agreed to stipulate to such conditions has submitted a bid within five percent of the lowest responsible bid for a contract to supply goods, services or construction of comparable quality, the contracting entity shall refer such bids to the Mayor, the Speaker or other officials, as appropriate, who may determine, in accordance with applicable law and rules, that it is in the best interest of the city that the contract be awarded to other than the lowest responsible bidder pursuant to Section 313(b)(2) of the City Charter.

In the case of contracts let by other than competitive sealed bidding, if a prospective contractor does not agree to these conditions, no agency, elected official or the Council shall award the contract to that bided unless the entity seeking to use the goods, services or construction certifies in writing that the contract is necessary for the entity to perform its functions and there is no other responsible contractor who will supply goods, services or construction of comparable quality at a comparable price.

PART A

In accordance with section 6-115.1 of the Administrative Code of the City of New York, the contractor stipulates that such contractor and any individual or legal entity in which the contractor holds a ten percent or greater ownership interest and any individual

or legal entity that holds a ten percent or great ownership interest in the contractor either (a) have no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations they have in Northern Ireland in accordance with the MacBride Principles, and shall permit independent monitoring of their compliance with such principles.

PART B

For purposes of this section, the following terms shall have the following meanings:

1. "MacBride Principles" shall mean those principles relating to nondiscrimination in employment and freedom of workplace opportunity which require employers doing business in Northern Ireland:

(1) increase the representation of individuals from underrepresented religious groups in the work force, including managerial, supervisory, administrative, clerical and technical jobs;

(2) take steps to promote adequate security for theprotection employees from underrepresented religious groups both at the workplace and while traveling to and from work;

(3) ban provocative religious or political emblems from the workplace;

(4) publicly advertise all jobs openings and make special recruitment efforts to attract applicants from underrepresented religious groups;

(5) establish layoff, recall and termination procedures which do not in practice favor a particular religious group,

(6) abolish all job reservations, apprenticeship restrictions and different employment criteria which discriminate on the basis of religion;

(7) develop training programs that will prepare substantial numbers of current employees from underrepresented religious groups for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade and improve the skills of workers from under-represented religious groups;

(8) establish procedures to assess, identify and actively recruit employees from underrepresented religious groups with potential for further advancement; and

(9) appoint a senior management staff member to oversee affirmative action efforts and develop a timetable to ensure their full implementation.

ARTICLE II. ENFORCEMENT OF ARTICLE 1.

The contractor agrees that the covenants and representations in Article I above are material conditions to this contract. In the event the contracting entity receives information that the contractor who made the stipulation required by this section is in violation thereof, the contracting entity shall review such information and give the contractor an opportunity to respond. If the contracting entity finds that a violation has occurred, the entity shall have the right to declare the contractor in default and/or terminate this contract for cause and procure the supplies, services or work form another source in any manner the entity deems proper. In the event of such termination, the contractor shall pay to the entity, or the entity in its sole discretion may withhold from any amounts otherwise payable to the contractor, the difference between the contract price for the uncompleted portion of this contract and the cost to the contracting entity of completing performance of this contract either itself or by engaging another contractor or contractors. In the case of a requirements contract, the contractor shall be liable for such difference in price for the entire amount of supplies required by the contracting entity for the uncompleted term of its contract. In the case of a construction contract, the contracting entity shall also have the right to hold the contractor in partial or total default in accordance with the default provisions of this contract, and/or may seek debarment or suspension of the contractor. The rights and remedies of the entity hereunder shall be in addition to, and not in lieu of, any rights and remedies the entity has pursuant to this contract or by operation of law.