



**Chautauqua, Cattaraugus, Allegany & Steuben Counties**

# **Southern Tier Extension Railroad Authority**

Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779  
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**"This institution is an equal opportunity organization"**  
**John Margeson, Chairman**

## **PROCUREMENT REPORT**

**For The Year Ending December 31, 2009**

**Background:** The Public Authorities Accountability Act and the new 2009 Public Authorities Reform Act do not have specific requirements for local public authorities for competitive bidding for purchase or sale transactions. Section 2879 of the Public Authorities Accountability Act is specifically limited to state authorities, and does not include requirements for public authorities.

However, Section 103 of the New York State General Municipal Law requires that all local public authorities use the competitive bid process for all of contracts for public work involving an expenditure of more than twenty thousand dollars and for all purchase contracts involving an expenditure of more than ten thousand dollars. Further, Section 104-b of the New York State General Municipal Law requires authorities such as STERA to develop procurement guidelines, and specifies their content.

STERA's Contract and Procurement Policy requires compliance with the provisions of New York State General Municipal Law, New York State Public Authorities Law, Title 28-AA, Section 2642 and U.S. Code of Federal Regulations, Title 7, Volume 15, Chapter 30, Part 3019, Subpart C, Sec. 3019.44.

**Report:** Accordingly, all public works contracts in which STERA was involved during 2009 complied with the competitive procurement provisions of Section 103 of the New York State General Municipal Law; further, all of these public works contracts in which STERA was involved during 2009 had been entered into by STERA in a prior year. Other than public works contracts, STERA entered into no other purchase contracts involving an expenditure of more than ten thousand dollars during 2009. The following tables describe all procurement contracts entered into by the Authority during the year ending December 31, 2009:

***All Procurement Contracts entered into during 2009:***

<b><u>Vendor</u></b>	<b><u>Subject</u></b>	<b><u>Value</u></b>
Buffamante Whipple Buttafaro, P.C.	Audit Services	\$3,842
Urban Engineers PC	Consulting Services	\$10,000
Hayes Corporation	Directors & Officers Insurance	\$5,600

***Procurement contract entered into during 2009 with New York State businesses:***

<b><u>Vendor</u></b>	<b><u>Subject</u></b>	<b><u>Value</u></b>
Buffamante Whipple Buttafaro, P.C.	Audit Services	\$3,842
Urban Engineers PC	Consulting Services	\$10,000

**Procurement contract entered into during 2009 with foreign business enterprises:**

None

These three procurement contracts all were too small in dollar value to be subject to competitive purchase and bidding requirements. However, STERA did seek price quotations for the Directors and Officers Insurance and selected the low price quotation. STERA also did seek price quotations for engineering consulting services related to the preparation of a specialized grant application; STERA contacted several engineering consulting firms regarding these specialized consulting services, and selected the low price quotation.

The contract for audit services was a sole source procurement, from a vendor that had quoted a reasonable price that was evaluated as not being above fair market value and that had prior experience providing audit services to the Authority. STERA asserts that the contract for audit services with Buffamante Whipple Buttafaro, P.C. did not involve a contract price for services purchased that exceeded fair market value.

**Certifications:** The Chief Executive Officer / Chief Financial Officer of STERA certifies that he has reviewed the terms of these purchases of services and has determined that they comply with applicable law and procurement guidelines, including STERA's Contract and Procurement Policy, Section 103 of the New York State General Municipal Law, the Public Authorities Accountability Act, and the 2009 Public Authorities Reform Act, and also certifies that none of these contracts involved a contract price for services purchased that exceeded fair market value.

On March 30, 2010, with the express authorization of the full Authority Board of Directors, the Executive Committee also reviewed the terms of these purchases of services and determined that they comply with applicable law and procurement guidelines, including STERA's Contract and Procurement Policy, Section 103 of the New York State General Municipal Law, the Public Authorities Accountability Act, and the 2009 Public Authorities Reform Act, and also certifies that none of these contracts involved a contract price for services purchased that exceeded fair market value.

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RICHARD T. ZINK  
Executive Director (CEO) and Treasurer (CFO)

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Date