

NEW YORK STATE BRIDGE AUTHORITY
REQUEST FOR PROPOSAL

CONTRACT INTERNAL AUDIT SERVICES
For The Years Ended
December 31, 2016, 2017, 2018

Contract BA-2016-OA-002PS
May 2, 2016

A. Background Information

1. The New York State Bridge Authority

The New York State Bridge Authority (the Authority) is a public benefit corporation, created in 1932 and existing pursuant to Title 2 of Article 3 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended. This act provides that the Authority shall continue its corporate existence and operate and maintain its designated bridges so long as it shall have the bonds or other obligations outstanding and until its existence shall be terminated by law. Upon cessation of the Authority, all its rights and properties shall pass to the State of New York.

The Authority operates and maintains five bridge facilities (namely, Rip Van Winkle, Kingston-Rhinecliff, Mid-Hudson, Newburgh-Beacon, and Bear Mountain) and has its headquarters office in Highland, New York.

The Authority's fund structure is established in accordance with Article V, Section 5.02 of the General Revenue Bond Resolution dated December 19, 1996. All monies are transferred to such funds in accordance with terms outlined in the bond indenture, and with the exception of the operating fund, held in depository by the designated Trustee.

2. Governing Body of the Authority

The corporate governing body of the Authority is a Board currently consisting of four members. The members are appointed by the Governor, with the advice and consent of the State Senate, for staggered terms – one expiring each year. The members receive no compensation for their services.

The many of the current members are residents of the six county area primarily served by the Authority. These counties are Columbia, Dutchess, Westchester, Greene, Orange, and Ulster. A Chairman is elected annually by the members of the Board.

The Authority Board has designated, from among its members, an Audit Committee, which, among other duties, is tasked with recommending to the Board the appointment, replacement and compensation of all public accounting firms and internal auditors.

3. Characteristics of the Authority's Financial Operations

The primary revenue source of the Authority is the collection of tolls for the use of its five bridge facilities (\$56.7 million in 2015). Approximately 99% of the Authority's revenues in 2015 were generated from toll charges. The remaining revenue comes mostly from the interest income on fund investments, advertising, and fiber optic leasing.

Operating expenses for 2015 amounted to approximately \$66 million. The largest expense, \$36.6 million, was incurred for rehabilitation, replacement and reconstruction of the Authority's existing bridge facilities. Other significant costs included salaries and benefits of \$18.7 million, \$4.1 million for electronic toll costs and \$1.6 million for insurance. Also provided for was \$11.3 million in principal and interest on outstanding bonds.

The work force consists of approximately 140 permanent, 60 temporary, and 50 seasonal employees serving the Authority in management, toll collection, maintenance, engineering, and information technology positions. Additional information on the Authority, including recent annual reports and financial statements can be obtained on its website at www.nysba.net.

B. Nature of Services Required

The following services are required to be included in your proposal which will assist the Authority in complying with its obligations under the Public Authorities Accountability Act to maintain internal controls and a program of internal control review.

1. Audit of Internal Controls that will:

- a. Assist the Authority in an examination of the Authority's internal control environment with the purpose of assessing risk and documentation of this assessment to support the development of an annual Internal Audit plan.
- b. Development of an annual Internal Audit Plan of full scope operational audits that will serve as the Authority's tool to assess the effectiveness of the Internal Control Environment and be presented to the Authority's Audit Committee.
- c. Execution of the Internal Audit Plan as approved by the Audit Committee. The audits must be performed in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing or the Attestation standards established by the American Institute of Certified Public Accountants during the performance of Agreed-Upon Procedures. The completed Audit report must be available to the Authority's independent auditor of its annual financial statements as an additional assurance of the effectiveness of Internal Controls. This report will be published on the Authority's website.
- d. Reporting of Audit Findings that includes:
 - i. Identification of material weaknesses, if any, in internal accounting controls.
 - ii. Identification of recommendations to improve the effectiveness of the internal control environment.
 - iii. Development of a list of recommendations for process improvements to improve efficiency/effectiveness where applicable.

C. Proposal Requirements

1. Maximum Fee

The maximum fee for this engagement shall be the sum of a not-to-exceed amount for the Independent Accountant's proposal for personnel services plus a not-to-exceed amount for the Independent Accountant's proposal for out-of-pocket expenses. The maximum fee shall be detailed in the proposal showing:

- a. Estimated staffing by levels, estimated hours and rates per hour.
- b. Actual and necessary travel, subsistence and other out-of-pocket expenses incurred in connection with the services performed under the agreement, as approved by the Authority pursuant to the Travel and Expense Manual from the NYS Office of the State Comptroller that can be found at: <http://www.osc.state.ny.us/agencies/travel/travel.htm>.

This maximum fee should be outlined in the fee schedule section attached for the audit calendar years ending December 31, 2016, December 31, 2017 and December 31, 2018.

2. Additional Services

The successful proposer may receive additional assignments from the Authority from time to time for related services. In the event such additional services are required, it is understood the fees for such services will be at the same rates contained in the proposal and in effect at the time of such request. A statement to that effect must be included in the proposer's submission.

3. Experience

The audit staff assigned to the engagement should be individuals familiar with and experienced in the examination of governmental agencies and the accounting and auditing principles, practices, procedures, and methods of Public Benefit Corporations. The proposal should include the qualifications of the individuals responsible for the supervision of the examination and should provide a list of Public Benefit Corporations and State or Local Governmental clients which is representative of the firm's experience in these areas.

4. Other Requirements

All submitted proposals must be typewritten and signed by a member of the proposing firm duly authorized to execute contracts on behalf of the firm. Certification shall be included stating that the firm is properly licensed for public practice and are certified public accountants in the State of New York.

Pricing for the proposal should be provided in a separate sealed envelope in addition to the other required proposal elements.

D. Terms of the Contract for Services

The Authority expects to award three one-year contracts covering the previously described services. The Authority will also retain the option to extend the contract for two additional one year periods at substantially the same terms.

E. Assistance Available

1. Authority Assistance

The Authority will provide all data and support necessary to perform the tasks identified. A list of all audit related request should be developed during the audit planning phase and presented to the Authority. All required schedules will be prepared by the Authority.

Accounting and Operations staff will be available to provide system documentation, walk-throughs, system reports, etc.

All requests for assistance should be directed through the Authority's Treasurer. The use of firm developed or provided audit software may be allowed, if agreed upon, in advance, by the Authority.

2. Assistance Available from the Current Independent Auditor/Internal Auditor

The "Audit of the Financial Statements" and all other required reports have been performed in recent years by EFPR Group, LLP (formerly Toski, Schaefer & Co., P.C.) 6390 Main Stree, Suit 200, Williamsville, NY 14221. If requested, the Authority will authorize EFPR Group, LLP to fully respond to all inquiries from the successful proposer.

The previously contracted "Internal Auditor" was Tronconi Segarra, & Associates, LLP. A copy of the audit plan from 2011 is included with this RFP. Copies of the audit report are included as part of the annual "Assessment of Internal Controls" available on the Authority's website.

F. Timing of Audit Work and Reports

1. Audit of Internal Controls and other required reports.

The Audit Plan for each calendar year shall be completed and available to the Authority Audit Committee on or before November 1st.

The Audit of the Internal Controls shall be completed and available to the Authority Audit Committee by February 15th following the year ended December 31.

2. Report Draft

A preliminary draft report for all audits conducted under this agreement must be discussed with and approved by the Treasurer and Audit Committee prior to the above dates.

3. Audit Work Plan

For each category of service provided, the Internal Auditor must submit a detailed audit work plan consisting of time schedule, staffing assignments, and a list of any Authority prepared audit work schedules. The initial audit work plan should be received by the Authority no later than Aug 15th.

G. Other Requirements

1. Insurance

The successful proposer is required to have Workers' Compensation insurance for the term of the contract and must furnish to the Authority satisfactory proof of this insurance.

2. Performance

This contract is not assignable and the use of a subcontractor is prohibited without the written approval of the Authority.

3. Payment by Invoice

The Authority will reimburse the firm for services provided following submission of invoiced charges to the Authority. The invoice should contain a description of services provided, itemization of personal service cost by title and number of hours billed. Also, a full detailed description of other out-of-pocket expenses incurred, with receipts, if required by Authority travel and expense guidelines, shall be submitted.

4. Minority and Women Owned Business Enterprises Participation

Information concerning the availability of New York State subcontractors and suppliers is available from the New York State Department of Economic Development, which includes the directory of certified minority and women owned businesses.

It is the policy of the New York State Bridge Authority to encourage the use of New York State subcontractors and suppliers, and to promote the participation of minority and women owned businesses where possible, in the procurement of goods and services.

5. State Finance Law §§139-j and 139-k

Pursuant to State Finance Law §§139-j and 139-k, this solicitation includes and imposes certain restrictions on communications between the Authority and an Offerer/bidder during the procurement process. An Offerer/bidder is restricted from making contacts from the earliest notice of intent to solicit a "Request for Proposal" through final award and approval of the Procurement Contract by the Authority ("restricted period") to other than designated staff unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j(3)(a). Designated staff, as of the date hereof, is identified in this solicitation. Authority employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Offerer/bidder pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for contract award and in the event of two findings within a 4 year period, the Offerer/bidder is debarred from obtaining governmental Procurement Contracts.

H. Contractor/Offerer's Disclosures

It is mandatory that each proposer submit, along with their proposal, all forms required with the NYS Bridge Authority's standard contract disclosures Forms A-1, A-2, A-3, B, C, D, E, F, EEO 100, and MWBE related forms.

I. Work Paper Retention and Availability

Work papers developed in conjunction with these audits must be retained by the firm for a period of not less than seven years and be available upon request for examination at no additional cost by State and Federal agencies.

J. Adherence to Specifications

The entire proposal is understood to be in accordance with the specifications of the Request for Proposal (RFP), unless the proposer explains otherwise in detail. The Authority reserves the right to request clarification and additional information if deemed necessary.

K. Evaluation Criteria

Each proposal will be evaluated by the Authority according to, but not limited to, the following factors which may not necessarily be in order of importance.

Experience of the audit staff

Firm's performance with the Bridge Authority and other similar clients

Client list with the same professional services as outlined in this proposal

Hourly rate of pay per staff

Total cost proposed

Contractor/Offerer's disclosures (Attached Forms)

The firms experience/understanding of Office of Management & Budget Item B-350 and the Public Authorities Accountability Act

The Authority reserves the right to incorporate other evaluation criteria which, in its judgment, are necessary for selecting the best proposal.

The Authority reserves the right to reject any and all proposals submitted and/or to request additional information from any and all proposers. Firms whose proposals are not accepted will be notified in writing. Notification of the award is scheduled to be made on or about June 16, 2016. The Authority reserves the right to extend this date if additional clarification is needed, or for whatever reason, in order to allow a decision-making process in the best interest of the Authority.

L. Termination

1. The Authority reserves the right to terminate this agreement. However, prior to taking such action, the Authority shall notify the firm in writing no less than 30 days prior to termination.

2. More specifically, the Authority reserves the right to terminate this contract in the event it is found that the certification filed by the Contractor/Offerer in accordance with New York State Executive Order Number 127 or State Finance Law Section 139 was intentionally false or intentionally incomplete. Upon such finding, the Authority may exercise its termination right by providing written notification to the contractor.

3. The Authority reserves the right to postpone, delay, suspend, or abandon all or any part of an assignment with seven (7) days written notice.

In the event of a termination or abandonment, the firm shall deliver to the Authority all reports and other data and records pertaining to the assignment and the Authority shall pay to the firm all

reasonable amounts earned up to the effective date of such termination or abandonment. Except as expressly provided in the previous sentence, such termination, postponement, delay, suspension, or abandonment shall not give rise to any claim or cause of action against the Authority for damages, extra compensation, or for losses of anticipated profits.

M. Submissions

The primary contact for this RFP is Brian Bushek, Treasurer of the New York State Bridge Authority. Questions should be received by the Treasurer at the Authority's Headquarters Office, Mid-Hudson Bridge Plaza, Highland, New York 12528, bbushek@nysba.ny.gov, no later than 4:00 p.m., May 20, 2016. Questions may be in the form of formal letter or email and responses will be included on the Authority's website with this RFP no later than May 25, 2016. Please check frequently for updates as the Authority will update questions and answers continuously until the deadline. The Authority reserves the right to not answer any further questions received after May 20, 2016.

Submissions must be provided in duplicate, signed by an authorized representative of the firm and received by Brian Bushek, Treasurer of the New York State Bridge Authority at the Authority's Headquarters Office, Mid-Hudson Bridge Plaza, Highland, New York 12528, no later than 4:00 p.m., May 30, 2016.

Note that all submissions must include an acknowledgement that the Proposer has examined and accepts all the requirements under this RFP, including all appendices, forms, and attachments. That it is capable of performing the work to achieve the objectives of the Authority, and that it will accept these terms and conditions unless exceptions are specified in the Proposer's submission.

N. Authority's Rights and Prerogatives

1. The Authority reserves the right to exercise the following prerogatives:
 - a. To accept or reject any or all proposals.
 - b. To correct any mathematical errors in the proposals.
 - c. To adopt as the Authority property, all submitted proposals and to use any portions thereafter unless specifically noted as proprietary by the submitting firms.
 - d. To change proposal due dates.
 - e. To accept or reject any of the Auditor's employees assigned to this relationship and to require their replacement at any time.
 - f. To modify the Request for Proposal (RFP) at any time before the award is made, if such action is in the best interest of the Authority.

2. By submitting a proposal, the proposer covenants that they will not make any claims for or have any right to damages because of any misinterpretation or misunderstanding of the specifications or because of any lack of information.

3. The contract award is subject to the availability of funds.

4. Prospective proposers shall not discuss this RFP or responses to it with any Authority employees or officers who have any responsibility hereunder other than the Audit Committee or Treasurer or persons designated by the Audit Committee or Treasurer.

5. New York State law requires that a proposal shall not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other proposer or with any competitor. In addition, the proposer is generally prohibited from making multiple proposals in a different form, i.e., as a prime proposer or as a subcontractor to another prime proposer.

The proposer must include a statement in the proposal describing all actual or potential relationships which may be considered to be a "conflict of interest." The "conflict of interest" will be taken under consideration by the Authority Proposal Evaluation Committee. The committee's determination of a disqualifying "conflict of interest" is final.

6. The Authority reserves the right to meet with selected proposers prior to the designation of a best qualified proposer, to accept or reject any proposal, to enter into negotiations with any of the proposers designated best qualified in order to determine satisfactory terms and conditions of a final contract, and to end such negotiations, at its discretion, and to designate and commence negotiations with an alternative best qualified proposer.

7. The Authority shall not be obligated for any costs incurred by the proposer in proposal preparation or in activities related to the review the proposal.

8. The Authority's Audit Committee will recommend to the Authority Board the name of the proposer or proposers they believe best qualified to provide the services required. Total discretion to designate the best qualified proposer and to award or refuse to award a contract, however, remains solely with the Authority Board.

9. The Authority will update its website, www.nysba.ny.gov with all answered questions in a separate link under the contract ID BA-2016-OA-002PS. Please check the website regularly for questions answered to prospective proposers.

Attachments

1. Appendix A - Standard Clauses for Bridge Authority Contracts
2. Appendix B – Participation by Minority Group Members and Women with Respect to New York State Bridge Authority Contracts.
3. Appendix C – Participation by Service-Disabled Veteran-Owned Businesses with Respect to New York State Bridge Authority Contracts
4. Form A-1 Proposer’s Affirmation of Understanding of Section 139 Procedures
5. Form A-2 Offeror Certification of Compliance with State Finance Law §139-5 (5)
6. Form A-3 Offeror Disclosure of Prior Non-Responsibility Determinations
7. Form B Conflict of Interest Affidavit
8. Form C Non-Collusive Proposer Certification
9. Form D Business Information
10. Form E Confidentiality Notice
11. Form F Vendor Responsibility Questionnaire
12. EEO Form 100
13. 2015 NYS Bridge Authority Annual Report
14. 2011 Internal Audit Plan

APPENDIX A

STANDARD CLAUSES FOR ALL NEW YORK STATE BRIDGE AUTHORITY CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the Authority, whether a contractor, licensor, licensee, lessor, lessee or any other party):

1. NON-ASSIGNMENT

CLAUSE. This contract may not be assigned, and no part or portion may be subcontracted, by the Contractor nor may its right, title or interest therein be assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of the Authority and any attempts to assign the contract without the Authority's written consent are null and void.

2. WORKERS'

COMPENSATION BENEFITS. This contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law. If employees will be working on, near or over navigable waters, a U.S. Longshore and Harbor Workers' Compensation Act endorsement must be included.

3. NON-DISCRIMINATION

REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, sexual orientation, military status, sex, disability, genetic predisposition or carrier status, marital status or domestic violence victim status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction,

alteration or repair of any public building or public work, or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, the Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract, as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of \$50 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

4. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN.

In accordance with 312 of the Executive Law, if this contract is: (a) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000, whereby the Authority is committed to

expend, or does expend, funds in return for labor, services, supplies, equipment, materials, or any combination of the foregoing, to be performed for, or rendered or furnished to the Authority; or (b) a written agreement in excess of \$100,000 whereby the Authority is committed to expend, or does expend, funds for the acquisition, construction, demolition, replacement, major repair, or renovation of real property and improvements thereon, or (c) a written agreement in excess of \$100,000 whereby the owner of a State-assisted housing project is committed to expend, or does expend, funds for the acquisition, construction, demolition, replacement, major repair, or renovation of real property and improvements thereon for such project, then the following shall apply and by signing this agreement the Contractor certifies and affirms that it is Contractor's equal employment opportunity policy that:

(a.) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, or marital status, shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on State contracts, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination, and rates of pay or other forms of compensation.

(b.) At the request of the Authority, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability, or marital status, and that agency, union, or representative will affirmatively cooperate in the implementation of the contractor's obligations herein.

(c.) The Contractor shall state, in all solicitations or advertisements for employees, that in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability, or marital status.

The Contractor shall include the provisions of (a), (b), and (c) above in every subcontract over \$25,000 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon except where such work is for the beneficial use of the Contractor. Section 312 of the Executive Law does not apply to: (i) work, goods or services unrelated

to this Agreement; or (ii) employment outside New York State. The Authority shall consider compliance by the Contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The Authority shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the Authority shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor shall comply with all duly promulgated and lawful rules and regulations of the Department of Economic Development's Division of Minority and Women's Business Development pertaining hereto.

5. **SERVICE-DISABLED VETERANS-OWNED BUSINESS PROVISIONS.** If this is a contract covered by Article 17-B of the Executive Law and 9 NYCRR 252.2 thereof, Contractor shall complete the "Use of Service-Disabled Veteran-Owned Business Enterprises in Contract Performance" form promulgated by the Office of General Services Division of Service-Disabled Veterans' Business Development. This fillable form can be accessed via the internet at http://ogs.ny.gov/core/docs/Contract_Performance_Use.pdf. Contractor further understands and agrees to comply with the reporting requirements set forth in said form.

6. **WAGE AND HOURS PROVISIONS.** If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the New York State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the New York

State Labor Department in accordance with the Labor Law. Additionally, if this is a public work contract covered by Article 8 of the Labor Law, the Contractor understands and agrees that the filing of payrolls in a manner consistent with subdivision 3-a of this Section 220 of the Labor Law shall be a condition precedent to payment by the Authority of any sums due and owing to any person for work done upon the project.

7. NON-COLLUSIVE BIDDING REQUIREMENT. In accordance with Public Authorities Law Section 2878, if this contract was awarded based upon the submission of bids, Contractor warrants, under penalty of perjury, that its bid was arrived at independently and

without collusion aimed at restricting competition. Contractor further warrants that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the Authority a non-collusive bidding certification on Contractor's behalf.

8. INTERNATIONAL BOYCOTT

PROHIBITION. In accordance with Section 220-f of the Labor Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of this contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership, or corporation has participated, is participating, or shall participate in an international boycott in violation of the Federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final

determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the Authority within five (5) business days of such conviction, determination or disposition of appeal.

9. SET-OFF RIGHTS.

The Authority shall have rights of set-off. These rights shall include, but not be limited to, the Authority's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing by the contractor to the Authority with regard to this contract, or any other contract with the Authority, including any contract for a term commencing prior to the term of this contract. This also includes amounts due and owing the Authority for any other reason including, without limitation, monetary penalties, adjustments, fees, or claims for damages by the Authority and third parties in connection therewith.

10. RECORD-KEEPING

REQUIREMENT. The Contractor shall

establish and maintain complete and accurate books, records, documents, accounts or other evidence directly pertinent to performance under this contract (the "Records") for a period of six (6) years following final payment or to the termination of this contract, whichever is later, and any extensions thereto. The Authority and Attorney General or any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to such Records during the contract term, extensions thereof and said six (6) year period thereafter for the purposes of inspection, auditing and copying. "Termination of the contract", as used in this clause 9, shall mean the later of completion of the work of the contract or the end date of the term stated in the contract. The Authority shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform the Authority's Executive Director with a copy to its Records Access Officer, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the Authority's right to discovery in any pending or future litigation.

11. LIABILITY.

Contractor shall be responsible for all damage to life and property due to negligent or otherwise tortious acts, errors or omissions of Contractor, in connection with their services under this contract. Further, it is expressly understood that Contractor shall indemnify and save harmless the Authority and/or the State of New York, as their interests may appear, from claims, suits, actions, damages, and costs of every name and description resulting from the negligent performance of the services of Contractor under this contract, and such indemnity shall not be limited by reasons of enumeration of any insurance coverage herein provided.

12. GOVERNING LAW.

This contract shall be governed by the laws of the

State of New York except where the Federal Supremacy clause requires otherwise.

13. LATE PAYMENT.

Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Public Authorities Law Section 2880 and 21 NYCRR Pt 207.

14. NO ARBITRATION.

Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized) but must, instead, be heard in a court of competent jurisdiction of the State of New York.

14. SERVICE OF PROCESS.

In addition to the methods of service allowed by the State Civil Practice Law & Rules, Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the Authority's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the Authority, in writing, of each and every change of address to which service of process can be made. Service by the Authority to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

15. OBSERVANCE OF LAWS.

The Contractor agrees to observe all Federal, State and local laws and regulations and to procure all necessary licenses and permits.

16. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION.

(a.) Federal Employer Identification Number and/or Federal Social Security Number:

All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must

include the payee's, i.e., the seller's or lessor's, identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both when the payee has both such numbers. Failure to include the number or numbers may delay payment. Where the payee does not have such number or numbers, the payee must give, on his or her invoice or New York State standard voucher, the reason or reasons why the payee does not have such number or numbers.

(b.) Privacy Notification:

(1.) The authority to request the above personal information from a seller of goods or services, or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses, and others who have been delinquent in filing tax returns or may have understated their tax liabilities, and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes, and for any other purpose authorized by law.

(2.) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. This information is maintained in New York State's Central Accounting System by the Director of State Accounts, Office of the State Comptroller, AESOB, Albany, New York 12236.

17. PROHIBITION ON PURCHASE OF TROPICAL

HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of New York State Finance Law §165. (Use of Tropical Hardwoods) which prohibits purchase and use of tropical

hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the Contractor to establish to meet with the approval of the State.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in Section 165 of the New York State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

18. OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information of the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic
Development
Division for Small Business
30 South Street B 7th Floor
Albany, New York 12245
Telephone: 518-292-5220
Fax: 518-292-5884
<http://www.empire.state.ny.us>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic

Development
Division of Minority and
Women's Business
Development
30 South Pearl Street, 2nd Floor
Albany, New York 12245
Telephone: 518-292-5250
Fax: 518-292-5803
<http://www.empire.state.ny.us>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

- (a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the Authority;
- (b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;
- (c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide such documentation to the Authority upon request; and

- (d) The Contractor acknowledges notice that the Authority may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the Authority in these efforts.

19. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the state of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

20. STATE FINANCE LAW SECTION 139. The Contractor hereby certifies that all information provided to the Authority with respect to State Finance Law Section 139 is complete, true and accurate. The Authority reserves the right to terminate this Contract in the event it is found that the certification filed by the Contractor in accordance with New York State Finance Law Section 139-k, was intentionally false or intentionally incomplete. Upon such finding, the Authority may exercise its termination right by providing written notification to the Contractor in accordance with the written notification terms of the Contract.

21. ETHICS. During the term of this Agreement, the Contractor shall not engage any person who is or has been at any time in the employ of the Authority or New York State to perform services under the Agreement, without the consent of the Authority. The Authority may request that the Contractor provide it with whatever information the Authority deems

appropriate about such person's engagement, work cooperatively with the Authority to solicit advice from the New York State Commission on Public Integrity or other body having jurisdiction, and if deemed appropriate by the Authority, instruct such person to seek the opinion of the New York State Commission on Public Integrity. The Contractor agrees that any such employee assigned to perform services under this Agreement shall be assigned in accordance with the provisions of the New York State Public Officers Law and any other laws, rules, regulations, guidelines or policies applicable to the service of current or former Authority or New York State employees. Further, during the term of the Agreement, no person who is employed by the Contractor and who is disqualified from providing services under the Agreement pursuant to the New York State Public Officers Law or any other applicable laws, rules, regulations, guidelines or policies may share in any net revenues the Contractor derives from the Agreement. The Authority shall have the right to cancel or terminate this Agreement at any time if any work performed under the Agreement is in conflict with the provisions of the New York State Public Officers Law, other laws applicable to the service of current or former Authority or New York State employees, and/or the rules, regulations, guidelines or policies promulgated or issued by the New York State Commission on Public Integrity.

22. OSHA 10 HOUR CONSTRUCTION SAFETY AND HEALTH COURSE. If this is a public work contract covered by Article 8 of the New York State Labor Law, it shall be required that on all public work projects of at least \$250,000.00, all laborers, workers and mechanics working on the site be certified as having successfully completed A MINIMUM OF 10 HOURS OF CONSTRUCTION AND HEALTH SAFETY TRAINING, as approved by the United States Department of Labor's Occupational Safety and Health Administration (OSHA). The Contractor, sub-contractor or other person doing or contracting to do the whole or part of the work contemplated by the contract, shall provide proof of certification for successfully completing

the course for each employee prior to performing any work on the project.

23. COMPTROLLER'S APPROVAL. Unless otherwise provided by resolution of the Authority, to the extent required by Section 2879-a of the Public Authorities Law, if this contract exceeds \$1,000,000, or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the Authority agrees to give something other than money when the value or reasonably estimated value of such consideration exceeds \$1,000,000, it shall not be valid, effective or binding upon the Authority until it has been approved by the State Comptroller and filed in his office.

24. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Exhibit, the terms of this Exhibit shall control, except that to the extent required for the purpose of obtaining Federal Aid in connection with this contract, any contract provisions required for Federal Aid projects shall supersede any conflicting provisions.

25. CERTIFICATION OF REGISTRATION TO COLLECT SALES AND COMPENSATING USE TAX BY CERTAIN STATE CONTRACTORS, AFFILIATES AND SUBCONTRACTORS. To the extent this agreement is a contract as defined by Tax Law Section 5-a, if the Contractor fails to make the certification required by Tax Law Section 5-a or if during the term of the contract, the Department of Taxation and Finance or the covered agency, as defined by Tax Law 5-a, discovers that the certification, made under penalty of perjury, is false, then such failure to file or false certification shall be a material breach of this contract and this contract may be terminated, by providing written notification to the Contractor in accordance with the terms of the agreement, if the Authority determines that such action is in the best interest of the State.

26. COMPLIANCE WITH NEW YORK STATE INFORMATION SECURITY BREACH AND NOTIFICATION ACT. Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law, Section 899-aa; State Technology Law Section 208).

27. NO WAIVER OF PROVISIONS. The Authority's failure to exercise or delay in exercising any right or remedy under this contract shall not constitute a waiver of such right or remedy or any other right or remedy set forth therein. No waiver by the Authority of any right or remedy under this contract shall be effective unless made in a writing duly executed by an authorized officer of the Authority, and such waiver shall be limited to the specific instance so written and shall not constitute a waiver of such right or remedy in the future or of any other right or remedy under this contract.

28. ENTIRE AGREEMENT. This contract, together with this Exhibit, constitutes the entire understanding between the parties and there are no other oral or extrinsic understandings of any kind between the parties. This contract may not be changed or modified in any manner except by a subsequent writing, duly executed by the parties hereto.

29. PAYMENT REPORTING. In any contract subject to the provisions of Article 15-A of the New York State Executive Law which exceeds the sum of \$25,000 for commodities or personal services, and \$100,000 for construction or professional services, the Contractor shall, immediately upon execution of this contract, and any Subcontractor shall, immediately upon engagement by the Contractor, establish access to the New York State Contract System available at <https://ny.newnycontracts.com/?TN=ny>, and throughout the term of the contract, and any extensions thereof, in compliance with the NYS Contract Compliance Module,

acknowledge, through the New York State Contract System, receipt of all payments for services provided under the contract, and confirm when payments are made to any subcontractors for services rendered.

If this contract receives or shall receive Federal financial assistance as governed by 49 CFR Part 26, Contractor, and any of its Subcontractors, shall complete and file the Uniform Report of DBE Awards or Commitments, and shall observe all compliance requirements for Federally Assisted Contracting as set forth in 49 CFR Part 26. Evidence of filing shall be available for inspection by the Authority.

Appendix B

PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN WITH RESPECT TO NEW YORK STATE BRIDGE AUTHORITY CONTRACTS: REQUIREMENTS AND PROCEDURES

I. General Provisions

- A. The New York State Bridge Authority (the "NYSBA") is required to implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 ("MWBE Regulations") for all NYS Bridge Authority contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, including legal, financial and other professional services, supplies, equipment, materials, or any combination of the foregoing, or (2) in excess of \$100,000 for the acquisition, construction, demolition, replacement, major repair, or renovation of real property and improvements thereon. Where the NYSBA enters into a contract with a total expenditure in excess of two hundred and fifty thousand dollars (\$250,000) contractors shall submit company workforce diversity data to the NYSBA prior to execution of the subject contract.
- B. The Contractor to the subject contract (the "Contractor" and the "Contract," respectively) agrees, in addition to any other nondiscrimination provision of the Contract and at no additional cost to the NYSBA, to fully comply and cooperate with the NYSBA in the implementation of New York State Executive Law Article 15-A. These requirements include equal employment opportunities for minority group members and women ("EEO") and contracting opportunities for certified minority and women-owned business enterprises ("MWBEs"). Contractor's demonstration of "good faith efforts" pursuant to 5 NYCRR §142.8 and Executive Law § 313(7) shall be a part of these requirements. These provisions shall be deemed supplementary to, and not in lieu of, the nondiscrimination provisions required by New York State Executive Law Article 15 (the "Human Rights Law") or other applicable federal, state or local laws.
- C. Failure to comply with all of the requirements herein may result in a finding of non-responsiveness, non-responsibility and/or a breach of contract, leading to the withholding of funds or such other actions, liquidated damages pursuant to Section VII of this Appendix or enforcement proceedings as allowed by the Contract.

II. Contract Goals

- A. The NYSBA has established an overall goal of 30% for MWBE participation, 12% for Minority-Owned Business Enterprises ("MBE") participation and 18% for Women-Owned Business Enterprises ("WBE") participation. Pursuant to Executive Law § 313(4) the NYSBA may, however, evaluate each contract to determine the appropriateness of the overall goal, which may be reduced if it is determined to be unattainable due to the lack of certified MWBEs available in the major bridge repair and maintenance business (based on the current availability of qualified MBEs and WBEs). Unless otherwise noted in the Contract, for purposes of this Contract, the goals for MWBE participation on the Contract shall remain as stated above in this Section II-A.

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- B. For purposes of providing meaningful participation by MWBEs on the Contract and achieving the MWBE Contract Participation Goals established in Section II-A hereof, Contractor should reference the directory of New York State Certified MWBEs found at the following internet address:
<http://www.esd.ny.gov/MWBE/directorySearch.html>.

Additionally, Contractor is encouraged to contact the Division of Minority and Woman Business Development ((518) 292-5250; (212) 803-2414; or (716) 846-8200) to discuss additional methods of maximizing participation by MWBEs on the Contract.

- C. Where MWBE Contract Participation Goals have been established herein, pursuant to 5 NYCRR § 142.8, the Contractor must document “good faith efforts” to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the Contract. In accordance with Section 316-a of Article 15-A and 5 NYCRR § 142.13, the Contractor acknowledges that if the Contractor is found to have willfully and intentionally failed to comply with the MWBE Contract Participation Goals set forth in the Contract, such a finding constitutes a breach of contract and the Contractor shall be liable to the NYSBA for liquidated or other appropriate damages, as set forth in the Contract.

III. Equal Employment Opportunity (EEO)

- A. Contractor agrees to be bound by the provisions of Article 15-A and the MWBE Regulations promulgated by the Division of Minority and Women's Business Development of the Department of Economic Development (the “Division”). If any of these terms or provisions conflict with applicable law or regulations, the contracting agency shall waive the applicability of these requirements to the extent of such conflict.
- B. The Contractor shall comply with the following provisions of Article 15-A:
1. The Contractor and subcontractors shall undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, EEO shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.
 2. The Contractor shall submit an EEO policy statement to the NYSBA within seventy two (72) hours after the date of the notice by the NYSBA to award the Contract to the Contractor.
 3. The Contractor’s EEO policy statement shall include the following language:
 - (a) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age,

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disability or marital status, and will undertake or continue existing EEO programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

- (b) The Contractor shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force.
- (c) The Contractor shall state in all solicitations or advertisements for employees that, in the performance of the contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.
- (d) The Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.
- (e) The Contractor will include the provisions of Subdivisions (a) through (c) of this Subsection 3 and Paragraph "E" of this Section III, which provides for relevant provisions of the Human Rights Law, in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with the Contract.

C. NYSBA EEO – Form 100 – Staffing Plan

Prior to the award of this Contract, the Contractor shall submit a staffing plan to document the composition of the proposed workforce to be utilized in the performance of the Contract by the specified categories listed, including ethnic background, gender, and Federal occupational categories. Contractors shall complete the Staffing plan form and submit it within a reasonable time, but no later than the time of award of the contract.

D. NYSBA EEO – Form 200 - Workforce Employment Monthly Utilization Report

1. Once a contract has been awarded and during the term of the Contract, Contractor is responsible for updating and providing notice to the NYSBA of any changes to the previously submitted Staffing Plan. This information is to be submitted on a monthly basis during the term of the contract to report the actual workforce utilized in the performance of the contract by the specified categories listed including ethnic background, gender, and Federal occupational categories. The Workforce Report must be submitted to report this information.

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2. Separate forms shall be completed by the Contractor and any subcontractor performing work on the Contract.
 3. In limited instances, the Contractor may not be able to separate out the workforce utilized in the performance of the Contract from the Contractor's and/or subcontractor's total workforce. When a separation can be made, the Contractor shall submit the Workforce Report and indicate that the information provided relates to the actual workforce utilized on the Contract. When the workforce to be utilized on the contract cannot be separated out from the Contractor's and/or subcontractor's total workforce, the Contractor shall submit the Workforce Report and indicate that the information provided is the Contractor's total workforce during the subject time frame, not limited to work specifically under the contract.
- E. The Contractor shall comply with the provisions of the Human Rights Law, all other State and Federal statutory and constitutional non-discrimination provisions. The Contractor and subcontractors shall not discriminate against any employee or applicant for employment because of an individual's age, race, creed (religion), color, sex, national origin, sexual orientation, military status, sex, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

IV. NYSBA MWBE – Form 100 - Utilization Plan

- A. As required by Executive Law § 313(5), the Contractor represents and warrants that the Contractor has submitted an MWBE Utilization Plan prior to the execution of the contract. Additionally, prior to award, the Contractor must submit its MWBE Utilization Plan online through the Statewide Utilization Management Plan (SUMP) module of the New York State Contracting System (NYSCS) website at <https://ny.newnycontracts.com/>.
- B. The Contractor agrees to use such MWBE Utilization Plan for the performance of MWBEs on the Contract pursuant to the prescribed MWBE Contract Participation Goals set forth in Section II-A of this Appendix. The Contractor shall attempt, in good faith, to utilize the enterprises identified within the Utilization Plan at least to the extent indicated.
- C. The Contractor further agrees that a failure to submit and/or use such MWBE Utilization Plan shall constitute a material breach of the terms of the Contract. Upon the occurrence of such a material breach, the NYSBA shall be entitled to any remedy provided in the Contract, including but not limited to, a finding of Contractor non-responsiveness.
- D. The NYSBA will review the MWBE Utilization Plan and issue to the Contractor a written notice of acceptance or deficiency within twenty (20) days of its receipt. A notice of deficiency shall include:
 1. the name of any MWBE which is not acceptable for the purpose of complying

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with the MWBE Contract Participation Goals and the reasons why it is not acceptable;

2. elements of the Contract scope of work which the NYSBA has determined can be reasonably structured by the Contractor to increase the likelihood of participation in the Contract by MWBEs; and
 3. other information which the NYSBA determines to be relevant to the MWBE Utilization Plan.
- E. In the event a notice of deficiency is issued, the Contractor shall respond to the notice within seven (7) business days of receipt by submitting a written remedy in response to the notice of deficiency to the NYSBA. If the written remedy that is submitted is not timely or is found by the NYSBA to be inadequate, the NYSBA shall notify the Contractor and direct the Contractor to submit, within five (5) business days, a request for a partial or total waiver of MWBE Contract Participation Goals on MWBE Form 200. Failure to file the waiver form in a timely manner may be grounds for disqualification of the bid or proposal.
- F. The NYSBA may disqualify a Contractor as being non-responsive under the following circumstances:
1. if a Contractor fails to submit an MWBE Utilization Plan;
 2. if a Contractor fails to submit a written remedy to a notice of deficiency in an MWBE Utilization Plan;
 3. if a Contractor fails to submit a request for waiver; or
 4. if the NYSBA determines that a Contractor has failed to document good faith efforts.
- G. The Contractor's good faith efforts shall be determined pursuant to Executive Law § 313(7).

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V. Waivers pursuant to Executive Law § 313(6) - Request for Waiver - MWBE Form 200

- A. For waiver requests, a Contractor should use MWBE Form 200.
- B. If the Contractor, after making good faith efforts, is unable to comply with MWBE Contract Participation Goals, the Contractor may submit a Request for Waiver form documenting good faith efforts by the Contractor to meet such goals and setting forth the reasons for such Contractor's inability to meet any or all of the participation requirements. If the documentation included with the waiver request is complete, the NYSBA shall evaluate the request and issue a written notice of acceptance or denial within twenty (20) days of receipt.
- C. The NYSBA shall review the waiver application in accordance with the criteria set forth in Executive Law § 313(6) and (7).
- D. If, upon review of the MWBE Utilization Plan and updated Quarterly MWBE Contractor Compliance Reports, the NYSBA determines that the Contractor is failing or refusing to comply with the MWBE Contract Participation Goals and no waiver has been issued in regards to such non-compliance, the NYSBA may issue a notice of deficiency to the Contractor. The Contractor must respond to the notice of deficiency within seven (7) business days of receipt. Such response may include a request for partial or total waiver of MWBE Contract Participation Goals.

VI. Monthly MWBE Participation Performance Report, MWBE - Form 300

Contractor is required to submit a Monthly MWBE Contractor Compliance Report (Form MWBE-300) to the NYSBA by the 10th day following the last day of each month over the term of the Contract documenting the progress made towards achievement of the MWBE Contract Participation Goals.

VII. Liquidated Damages - MWBE Participation

- A. In accordance with Executive Law § 316-a and 5 NYCRR § 142.13, where the NYSBA determines that Contractor is not in compliance with the requirements of the Contract and Contractor refuses to comply with such requirements, or if Contractor is found to have willfully and intentionally failed to comply with the MWBE Contract Participation Goals, the Contractor shall be obligated to pay to the NYSBA liquidated damages.
- B. In the event a determination has been made which requires the payment of liquidated damages and such identified sums have not been withheld by the NYSBA, Contractor shall pay such liquidated damages to the NYSBA within sixty (60) days after they are assessed by the NYSBA unless prior to the expiration of such sixtieth day, the Contractor has filed a complaint with the Director of the Division of Minority and Woman Business Development pursuant to Subdivision 8 of Section 313 of the Executive Law in which event the liquidated damages shall be payable if Director renders a decision in favor of the NYSBA.

NEW YORK STATE BRIDGE AUTHORITY

**MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES – EQUAL
EMPLOYMENT OPPORTUNITY POLICY STATEMENT**

M/WBE AND EEO POLICY STATEMENT

I, _____, the (awardee/contractor) _____
agree to adopt the following policies with respect to the project being developed or services rendered at

-
- | | |
|--|--|
| <p><u>M/WBE</u> This organization will and will cause its contractors and subcontractors to take good faith actions to achieve the MWBE Contract Participations Goals set by the Authority for that area in which the Authority-funded project is located, by taking the following steps:</p> <ol style="list-style-type: none">(1) Actively and affirmatively solicit bids for contracts and subcontracts from qualified State certified MBEs or WBEs, including solicitations to M/WBE contractor associations.(2) Request a list of State-certified MWBEs from AGENCY and solicit bids from them directly.(3) Ensure that plans, specifications, request for proposals and other documents used to secure bids will be made available in sufficient time for review by prospective MWBEs.(4) Where feasible, divide the work into smaller portions to enhanced participations by M/WBEs and encourage the formation of joint venture and other partnerships among MWBE contractors to enhance their participation.(5) Document and maintain records of bid solicitation, including those to MWBEs and the results thereof. Contractor will also maintain records of actions that its subcontractors have taken toward meeting MWBE Contract Participation Goals.(6) Ensure that progress payments to MWBEs are made on a timely basis so that undue financial hardship is avoided, and that bonding and other credit requirements are waived or appropriate alternatives developed to encourage MWBE participation. | <p><u>EEO</u> (a) This organization will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing programs of affirmative action to ensure that minority group members are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on state contracts.</p> <p>(b) This organization shall state in all solicitation or advertisements for employees that in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.</p> <p>(c) At the request of the contracting agency, this organization shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of this organization's obligations herein.</p> <p>(d) Contractor shall comply with the provisions of the Human Rights Law, all other State and Federal statutory and constitutional non-discrimination provisions. Contractor and subcontractors shall not discriminate against any employee or applicant for employment because of an individual's age, race, creed (religion), color, national origin, sexual orientation, military status, sex, disability,</p> |
|--|--|

NEW YORK STATE BRIDGE AUTHORITY

predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

(e) This organization will include the provisions of sections (a) through (d) of this agreement in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with the State contract

Agreed to this _____ day of _____, 2_____

By _____

Print: _____ Title: _____

**MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES – EQUAL
EMPLOYMENT OPPORTUNITY POLICY STATEMENT, CONT.**

_____ is designated as the Minority Business Enterprise
Liaison
(Name of Designated Liaison)

responsible for administering the Minority and Women-Owned Business Enterprises - Equal Employment Opportunity (MWBE-EEO) program.

MWBE Contract Goals

Subject to Executive Law § 313(4), for purposes of this procurement, the NYSBA hereby establishes the following goals (“MWBE Contract Participation Goals”):

12 % Minority Business Enterprise Participation

18 % Women’s Business Enterprise Participation

30 % Total Minority and Women’s Business Enterprise Participation

(Authorized Representative)

Title: _____

Date: _____



CONTRACTOR'S UTILIZATION FORM

New York State Bridge Authority

(845) 691- 7245

Contractor Name and Address	Project Number:	Contract Award Date:		
Contractor's FID #:	Project Description Location	Contract Award Amount:		
		Est. Completion Date:		
		Check Appropriate Box: <input type="checkbox"/> Supplier <input type="checkbox"/> Prime Contractor <input type="checkbox"/> Subcontractor		
Contract Name & Phone Number:	Goals: MBE _____%			
Date Submitted:	WBE _____%			
Subcontractor / Supplier Name / Address / Federal ID#	Sub / Supplier	MBE / WBE	Description of Work	\$ Value of Contract
Total Contract Bid Amount: Total subcontractors for commodities and services assigned to MBEs: Total subcontracts for commodities and services assigned to WBEs: Subcontracts for commodities and services unassigned:	NUMBER	AMOUNT	% of TOTAL	
		\$	100. %	
		\$	%	
		\$	%	
Contractor's Statement: My firm proposes to use the MWBEs listed				
Prepared by:	Print Name of Contractor:	Date:		
(Signature of Contractor)		Reviewed By:		



REQUEST FOR M/WBE WAIVER

MWBE Form 200 (3/12)

By submitting this form and the required information, the contractor certifies that every Good Faith Effort has been taken to promote M/WBE participation pursuant to the M/WBE participation requirements set forth under the contract.

Contract Overview

Contractor Name: _____ Telephone: _____

Address: _____ Federal ID No. _____ SFS Vendor ID: _____

City, State, Zip: _____ Solicitation/Contract No: _____

Type of Procurement: Competitive Bid Other Bid Response Due Date: _____ Est. or Actual Cost: _____

Waiver Request: Fill ALL boxes with an X or N/A and provide justification (attach additional pages if needed):

1. MBE Waiver - A waiver of the MBE Goal for this procurement is requested. Total Partial
2. WBE Waiver - A waiver of the WBE Goal for this procurement is requested. Total Partial
3. Waiver- Pending ESD Certification - Check here if subcontractors or suppliers of Contractor are not certified M/WBE but an application for certification has been filled with Empire State Development). Subcontractor/Supplier Name: _____ Date of filing: _____ Reference submission instruction on page 2, item 1.
4. Vendor does not subcontract construction/professional services.
5. Vendor subcontracts some of this type of work but at lower % than bids/solicitation describes.
6. Vendor has solicited NYS Certified M/WBE firms for purposes in complying with participation goals without success. Please see requirements: Reference submission instruction on page 2, items 2-10
7. Other: _____

Provide a summary of your justification for requesting a waiver:

By checking this box you verify that you went through the NYS ESD M/WBE Directory of Certified firms to view companies that you may be currently using or may use on this bid.

SUBMISSION OF THIS FORM CONSTITUTES THE OFFEROR/CONTRACTOR'S ACKNOWLEDGEMENT AND AGREEMENT TO COMPLY WITH THE M/WBE REQUIREMENTS SET FORTH UNDER NYS EXECUTIVE LAW, ARTICLE 15-A, 5 NYCRR PART 142, AND THE ABOVE REFERENCED SOLICITATION. FAILURE TO SUBMIT COMPLETE AND ACCURATE INFORMATION MAY RESULT IN A FINDING OF NONCOMPLIANCE AND/OR TERMINATION OF THE CONTRACT.

Appendix C

PARTICIPATION BY SERVICE-DISABLED VETERAN-OWNED-BUSINESSES WITH RESPECT TO NEW YORK STATE BRIDGE AUTHORITY CONTRACTS: REQUIREMENTS AND PROCEDURES

I. General Provisions

- A. The New York State Bridge Authority (the "NYSBA") is required to implement the provisions of New York State Executive Law Article 17-B and 9 NYCRR Part 252 (the "SDVOB Regulations") for all NYS Bridge Authority contracts as defined therein. Where practical, feasible and appropriate, the Authority shall seek to achieve a 6 (six) percent goal for the utilization of SDVOB's for all construction contracts, including but not limited to, consultant expenditures. Further, a similar six percent goal for the utilization of SDVOBs shall apply to contracts for services/consultant expenditures and commodity expenditures. Where the NYSBA enters into a contract, it shall require the proposer to submit a SDVOB Utilization Plan for achieving a goal for participation of certified SDVOBs to the NYSBA prior to execution of the subject contract.
- B. The Contractor to the subject contract (the "Contractor" and the "Contract," respectively) agrees, at no additional cost to the NYSBA, to fully comply and cooperate with the NYSBA in the implementation of New York State Executive Law Article 17-B. These requirements include providing direct and indirect contracting opportunities for certified service-disabled veteran-owned business enterprises ("SDVOBs"). Contractor's demonstration of "good faith efforts" pursuant to 9 NYCRR §252.2 (n) shall be a part of these requirements. These provisions shall be deemed supplementary to, and not in lieu of, the provisions required by New York State Executive Law Article 17-B or other applicable federal, state or local laws.
- C. Any contractor who willfully and intentionally fails to comply with all of the participation requirements herein, as set forth under the SDVOB regulations, shall be liable to the NYSBA for damages as otherwise specified in the contract, and shall provide for other remedies on account of such breach. Damages shall be calculated based on the actual cost incurred by the NYSBA related to the NYSBA's expenses for personnel, supplies and overhead related to establishing, monitoring, and reviewing certified SDVOB enterprise programmatic goals.

II. Contract Goals

- A. The NYSBA has established an overall goal of 6% for SDVOB participation pursuant to Executive Law § 17-B. The NYSBA may, however, evaluate each contract to determine the appropriateness of the overall goal, which may be reduced if it is determined to be not practical, feasible or appropriate due to the lack of certified SDVOBs available in the major bridge repair and maintenance business (based on the current availability of qualified SDVOBs) as permitted under 9 NYCRR §252.2 (h)(1). Unless otherwise noted in the Contract, for purposes of this Contract, the goals for SDVOB participation on the Contract shall remain as stated above in this Section II-A.
- B. For purposes of providing meaningful participation by SDVOBs on the Contract and achieving the SDVOB Contract Participation Goals established in Section II-A hereof, Contractor should

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reference the directory of New York State Certified SDVOBs found at the following internet address: <http://www.ogs.ny.gov/Core/SDVOBA.asp>. Additionally, Contractor is encouraged to contact the Division of Service-Disabled Veterans' Business Development by telephone at 844-579-7570 or by e-mail at VeteransDevelopment@ogs.ny.gov to discuss additional methods of maximizing participation by SDVOBs on the Contract.

- C. Where SDVOB Contract Participation Goals have been established herein, pursuant to 9 NYCRR §252.2, the Contractor must document "good faith efforts" to provide meaningful participation by SDVOBs as subcontractors or suppliers in the performance of the Contract. In accordance with Section 9 NYCRR §252.2(s), the Contractor acknowledges that if the Contractor is found to have willfully and intentionally failed to comply with the SDVOB Contract Participation Goals set forth in the Contract, such a finding constitutes a breach of contract and the Contractor shall be liable to the NYSBA for liquidated or other appropriate damages, as set forth in the Contract.

III. NYSBA SDVOB – Form 110 - Utilization Plan

- A. As required by Executive Law § 17-B(f), the Contractor represents and warrants that the Contractor has submitted a SDVOB Utilization Plan prior to the execution of the contract. Additionally, prior to award, the Contractor must submit its SDVOB Utilization Plan to the New York State Bridge Authority, Mid-Hudson Bridge Plaza; P.O. Box 1010, Highland, NY 1258.
- B. The Contractor agrees to use such SDVOB Utilization Plan for the performance of SDVOB on the Contract pursuant to the prescribed SDVOB Contract Participation Goals set forth in Section II-A of this Appendix. The Contractor shall attempt, in good faith, to utilize the enterprises identified within the Utilization Plan at least to the extent indicated.
- C. The Utilization Plan forms submitted by Contractors shall include, at a minimum, the following required information:
1. the name, address and telephone number of the Contractor;
 2. the Federal identification number of the Contractor;
 3. the names, addresses, and Federal identification numbers of certified service-disabled veteran-owned business enterprises which the contractor intends to use to perform a commercially useful function on the NYSBA contract and a description of the contract scope of work which the Contractor intends to structure to achieve participation pursuant to the prescribed NYSBA contract goals;
 4. the estimated or, if known, actual dollar amounts to be paid to and performance dates of each component of a NYSBA contract which the Contractor intends to be performed by a certified SDVOB enterprise; and

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5. a statement that the utilization of certified SDVOB enterprises for non-commercially useful functions may not be counted towards utilization of certified minority- and women-owned business enterprises in the utilization plan.
- D. In the event that a Contractor to a NYSBA's solicitation is a joint venture, teaming agreement, or other similar arrangements that includes a certified SDVOB enterprise, such a Contractor must submit the following to the NYSBA for its review and approval:
1. the name, address, telephone number, and Federal identification of each partner or party to the agreement;
 2. the Federal identification number of the joint venture or entity established to respond to the solicitation, if applicable; and
 3. a copy of the joint venture, teaming agreement, or other similar arrangement, which describes the percentage of interest owned by each party to the agreement and the value added by each party.
- E. The Contractor further agrees that a failure to submit and/or use such SDVOB Utilization Plan shall constitute a material breach of the terms of the Contract. Upon the occurrence of such a material breach, the NYSBA shall be entitled to any remedy provided in the Contract, including but not limited to, a finding of Contractor non-responsiveness.
- F. The NYSBA will review the SDVOB Utilization Plan and issue to the Contractor a written notice of acceptance or deficiency within twenty (20) days of its receipt. A notice of deficiency shall include:
1. A statement that the Contract shall not be awarded until a Utilization Plan has been approved or a waiver granted;
 2. A specific request for the reasons why any certified service-disabled veteran-owned business enterprise was not selected to perform the scope of work which the NYSBA has determined can be reasonably structured by the Contractor into subcontract(s) or other component(s) for purposes of complying with the NYSBA's Contract certified enterprise goal(s); and
 3. Any other facts relevant to the SDVOB Utilization Plan.
- G. In the event a notice of deficiency is issued, the Contractor shall respond to the notice within seven (7) business days of receipt by submitting a written remedy in response to the notice of deficiency to the NYSBA. If the written remedy that is submitted is not timely or is found by the NYSBA to be inadequate, the NYSBA shall notify the Contractor and direct the Contractor to submit, within five (5) business days, a request for a partial or total waiver of SDVOB Contract Participation Goals on SDVOB

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Form 210. Failure to file the waiver form in a timely manner may be grounds for disqualification of the bid or proposal for non-responsiveness.

- H. The NYSBA may disqualify a Contractor as being non-responsive under the following circumstances:
1. if a Contractor fails to submit a SDVOB Utilization Plan;
 2. if the NYSBA determines that a Contractor fails to satisfactorily document its good faith efforts;
 3. if a Contractor fails to submit a written remedy to a notice of deficiency in an SDVOB Utilization Plan; or
 4. if a Contractor fails to submit a request for waiver.
- I. The Contractor's good faith efforts shall be determined and documented pursuant to 9 NYCRR §252.2(n).
- J. If a Contractor changes its Utilization Plan after submission, it shall notify the NYSBA in writing of such change and obtain approval from the NYSBA in accordance with subdivisions (l) and (n) of 9 NYCRR §252.2.

IV. Waivers Pursuant to 9 NYCRR §252.2(m)- Request for Waiver – SDVOB- Form 210

- A. For Waiver Requests, a Contractor should use SDVOB- Form 210.
- B. If the Contractor, after making good faith efforts, is unable to comply with SDVOB Contract Participation Goals, the Contractor may submit a Request for Waiver form documenting good faith efforts by the Contractor to meet such goals and setting forth the reasons for such Contractor's inability to meet any or all of the participation requirements. If the documentation included with the Waiver Request is complete, the NYSBA shall evaluate the request and issue a written notice of acceptance or denial within twenty (20) days of receipt.
- C. The NYSBA shall review the waiver application in accordance with the criteria set forth in 9 NYCRR §252.2(l) and (m).
- D. Requests for a partial or total waiver of goal requirements established on a NYSBA contract made prior to the award of the contract may be made simultaneously with the submission of the Utilization Plan for that NYSBA contract. If a Contractor is found non-responsive or non-responsible by the NYSBA, the request for a waiver shall be deemed moot.
- E. Requests for a partial or total waiver made subsequent to award of a NYSBA contract may be made at any time during the term of the NYSBA contract but prior to the submission of a request for final

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payment on the contract.

- F. If, upon review of the SDVOB Utilization Plan and updated Quarterly SDVOB Contractor Compliance Reports, the NYSBA determines that the Contractor is failing or refusing to comply with the SDVOB Contract Participation Goals and no waiver has been issued in regards to such non-compliance, the NYSBA may issue a notice of deficiency to the Contractor. The Contractor must respond to the notice of deficiency within seven (7) business days of receipt. Such response may include a request for partial or total waiver of SDVOB Contract Participation Goals.

V. Monthly SDVOB Participation Performance Report, SDVOB - Form 310

- A. Contractor is required to submit a Monthly SDVOB Contractor Compliance Report (Form SDVOB-310) in accordance with 9 NYCRR § 252.2(q) to the NYSBA by the 10th day following the last day of each month over the term of the Contract documenting the progress made towards achievement of the SDVOB Contract Participation Goals.

VI. Damages - SDVOB Participation

- A. In accordance with Executive Law § 17-B and 9 NYCRR § 252.2(s), where the NYSBA determines that Contractor is not in compliance with the requirements of the Contract and Contractor refuses to comply with such requirements, or if Contractor is found to have willfully and intentionally failed to comply with the SDVOB Contract Participation Goals, the Contractor shall be obligated to pay to the NYSBA damages as otherwise specified in the contract, and shall provide for other remedies on account of such breach. Damages shall be calculated based on the actual cost incurred by the NYSBA related to the NYSBA's expenses for personnel, supplies and overhead related to establishing, monitoring, and reviewing certified SDVOB enterprise programmatic goals.
- B. In the event a determination has been made which requires the payment of damages and such identified sums have not been withheld by the NYSBA, Contractor shall pay such damages to the NYSBA within sixty (60) days after they are assessed by the NYSBA.



CONTRACTOR'S SDVOB UTILIZATION FORM
New York State Bridge Authority

(845) 691- 7245

Contractor Name and Address	Project Number:	Contract Award Date:		
	Project Description Location	Contract Award Amount:		
		Est. Completion Date:		
Contractor's FID #:	Goals: SDVOB _____%	Check Appropriate Box:		
Contract Name & Phone Number:		_____ Supplier		
Date Submitted:		_____ Prime Contractor		
		_____ Subcontractor		
Subcontractor / Supplier Name / Address / Federal ID#	Sub / Supplier	SDVOB	Description of Work	\$ Value of Contract
Total Contract Bid Amount: Total subcontractors for commodities and services assigned to SDVOBs: Subcontracts for commodities and services unassigned:	NUMBER	AMOUNT	% of TOTAL	
		\$	100 %	
		\$	%	
		\$	%	
Contractor's Statement: My firm proposes to use the SDVOBs listed				
Prepared by:	Print Name of Contractor:	Date:		
(Signature of Contractor)		Reviewed By:		



SDVOB PARTICIPATION PERFORMANCE REPORT
New York State Bridge Authority

Date: _____
Period ending: _____

Contractor: _____

(845) 691-7245

NYSBA Contract No.: _____
Project Description: _____

Contractor/Supplier Name/Address/Phone #	Check One Contr <input type="checkbox"/> Supp <input type="checkbox"/>	Check If 'Yes' SDVOB <input type="checkbox"/>	Written Agreement Exists Yes <input type="checkbox"/> No <input type="checkbox"/>	Description of Work	Participation Plan Goal Amount	%	Amount This Period	Amount Paid to Date	% Paid
	Contr <input type="checkbox"/> Supp <input type="checkbox"/>	SDVOB <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>						
	Contr <input type="checkbox"/> Supp <input type="checkbox"/>	SDVOB <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>						
	Contr <input type="checkbox"/> Supp <input type="checkbox"/>	SDVOB <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>						
	Contr <input type="checkbox"/> Supp <input type="checkbox"/>	SDVOB <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>						
	Contr <input type="checkbox"/> Supp <input type="checkbox"/>	SDVOB <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>						
Is a SDVOB Participation Goal Plan in effect for this contract?			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						
Goals: 6% SDVOB									
Total Contract Amount									
Total SDVOB Participation Plan Submitted			\$0.00		\$0		\$0.00	\$0.00	
Comments:									



REQUEST FOR SDVOB WAIVER

By submitting this form and the required information, the contractor certifies that every Good Faith Effort has been taken to promote SDVOB participation pursuant to the SDVOB participation requirements set forth under the contract.

Contract Overview

Contractor Name: _____ Telephone: _____

Address: _____ Federal ID No. _____ SFS Vendor ID: _____

City, State, Zip: _____ Solicitation/Contract No: _____

Type of Procurement: Competitive Bid Other Bid Response Due Date: _____ Est. or Actual Cost: _____

Waiver Request: Fill ALL boxes with an X or N/A and provide justification (attach additional pages if needed):

1. SDVOB Waiver- A waiver of the SDVOB Goal for this procurement is requested.
2. Waiver- Pending DSDVBD Certification - Check here if subcontractors or suppliers of Contractor are not certified SDVOB but an application for certification has been filled with Division of Service-Disabled Business Development.
Subcontractor/Supplier Name: _____ Date of filing: _____ Reference submission instruction on page 2, item 1.
3. Vendor does not subcontract construction/professional services.
4. Vendor subcontracts some of this type of work but at lower % than bids/solicitation describes.
5. Vendor has solicited NYS Certified SDVOB firms for purposes in complying with participation goals without success. Please see requirements: Reference submission instruction on page 2, items 2-10
6. Other: _____

Provide a summary of your justification for requesting a waiver:

By checking this box you verify that you went through the NYS OGS Directory of Certified firms to view companies that you may be currently using or may use on this bid.

SUBMISSION OF THIS FORM CONSTITUTES THE OFFEROR/CONTRACTOR'S ACKNOWLEDGEMENT AND AGREEMENT TO COMPLY WITH THE SDVOB REQUIREMENTS SET FORTH UNDER NYS EXECUTIVE LAW, ARTICLE 17-B, 9 CRR-NY G I 252, AND THE ABOVE REFERENCED SOLICITATION. FAILURE TO SUBMIT COMPLETE AND ACCURATE INFORMATION MAY RESULT IN A FINDING OF NONCOMPLIANCE AND/OR TERMINATION OF THE CONTRACT.



REQUEST FOR SDVOB WAIVER

VENDOR CERTIFICATION: I hereby affirm that the information supplied in support of this waiver is true and correct and that this request is made in good faith:

Signature _____ Date _____ Sworn to before me this _____ day of _____ 20____

Print Name _____ Notary Public _____

Title _____ Seal: _____

Company _____

REQUIREMENTS AND DOCUMENT SUBMISSION INSTRUCTIONS

To be considered, the Request for Waiver form must be accompanied by supporting documentation for items 1-10, as listed below. If a Waiver Pending ESD Certification is requested, please see note below. Copies of the following information and all relevant supporting documentation must be submitted along with the request.

- Supporting Documentation:
1. Provide any other information you deem relevant which may help us in evaluating your request for a waiver.
 2. Provide the names of general circulation, trade association, and SDVOB-oriented publications in which you solicited certified SDVOBss for the purposes of complying with your participation goals.
 3. Provide a list identifying the date(s) that all solicitations for certified SDVOB participation were published in any of the above publications and the text of said solicitation(s).
 4. Provide a list of all certified SDVOBs appearing in the Directory of NYS Certified SDVOB Firms that were solicited in writing for purposes of complying with the certified SDVOB participation levels.
 5. Provide copies of notices, dates of contact, letters and other correspondence as proof that solicitations were made in writing and copies of such solicitations, or a sample copy of the solicitation, if an identical solicitation was made to all certified SDVOBs.
 6. Provide copies of responses made by certified MWBEs to your solicitations.
 7. Provide a description of any contract documents, plans or specifications made available to certified SDVOBs for purposes of soliciting their bids, and the date and manner in which these documents were made available.
 8. Provide documentation of any negotiations between the Contractor, and/or SDVOB(s) undertaken for purposes of complying with the certified SDVOB participations goals.
 9. Provide the name, title, address, telephone number, and email address of the Contractor's representative authorized to discuss this waiver request.
 10. Copy of notice of application receipt issued by Division of Service-Disabled Veteran's Business Development (DSDVBD).

NOTE: Unless a Total Waiver has been granted, Contractor will be required to submit all reports and documents pursuant to the provisions set forth in the Contract, as deemed appropriate by the Authority, to determine SDVOB compliance.

Reviewed By: _____ Date: _____

FOR NYSBA USE

Total Waiver Partial Waiver Conditional Waiver DSDVBD Certification Waiver Yes No

Waiver Granted: _____ Date of Deficiency Issued: _____

**Offerer's Certification of Compliance
with State Finance Law §139-k(5)**

Background:

New York State Finance Law §139-k(5) requires that every Procurement Contract award subject to the provisions of State Finance Law §§139-k or 139-j shall contain a certification by the Offerer that all information provided to the procuring Governmental Entity with respect to State Finance Law §139-k is complete, true and accurate.

Instructions:

The New York State Bridge Authority must obtain the required certification that the information is complete, true and accurate regarding any prior findings of non-responsibility, such as non-responsibility pursuant to State Finance Law §139-j. The Offerer must agree to the certification and provide it to the procuring Governmental Entity.

**New York State Bridge Authority
BA2015-OA001IN Business Automobile Insurance
BA2015-OA002IN Commercial Package Insurance
BA2015-OA003IN Police Professional Insurance**

Offerer's Certification of Compliance with State Finance Law §139-k(5)

Offerer Certification:

I certify that all information provided to the New York State Bridge Authority with respect to State Finance Law §139-k is complete, true and accurate.

By: _____ Date: _____

Name: _____

Title: _____

Contractor Name:

Contractor Address:

**New York State Bridge Authority
BA-2016-OA-002-PS Internal Auditor
Offerer's Affirmation of Understanding of and Agreement
pursuant to State Finance Law §139-j (3) and §139-j (6) (b)**

Background:

State Finance Law §139-j(6)(b) provides that:

Every Governmental Entity shall seek written affirmations from all Offerers as to the Offerer's understanding of and agreement to comply with the Governmental Entity's procedures relating to permissible contacts during a Governmental Procurement pursuant to subdivision three of this section.

Instructions:

A NYS Bridge Authority must obtain the required affirmation of understanding and agreement to comply with procedures on procurement lobbying restrictions regarding permissible Contacts in the restricted period for a procurement contract in accordance with State Finance Law §§139-j and 139-k. It is recommended that this affirmation be obtained as early as possible in the procurement process, such as when the Contractor submits its proposal or bid.

Offerer affirms that it understands and agrees to comply with the procedures of the NYS Bridge Authority relative to permissible Contacts as required by State Finance Law §139-j (3) and §139-j (6) (b).

By: _____ Date: _____

Name: _____

Title: _____

Contractor Name: _____

Contractor Address: _____

NYS Finance Law §139-k(2)

5. Has any Governmental Entity or other governmental agency terminated or withheld a Procurement Contract with the above-named individual or entity due to the intentional provision of false or incomplete information? (Please circle):

No Yes

6. If yes, please provide details below.

Governmental Entity: _____

Date of Termination or Withholding of Contract: _____

Basis of Termination or Withholding: _____

(Add additional pages as necessary)

Offerer certifies that all information provided to the Governmental Entity with respect to State Finance Law §139-k is complete, true and accurate.

By: _____ Date: _____

Signature

Name: _____

Title: _____

**FORM B
CONFLICT OF INTEREST AFFIDAVIT**

STATE OF _____)

COUNTY OF _____) SS.:

_____, being duly sworn, deposes and says: He is an officer of _____, which is about to render services to the Authority as a contractor/consultant or in any other professional capacity (the "Firm") and agrees that the Firm has no interest and will not acquire any interest, direct or indirect, that would conflict in any manner or decree with the performance of its services to be rendered to the Authority.

That it is further agreed in the rendering of services to the Authority, no person having any such interest shall knowingly be employed by the undersigned or the Firm.

Respondent's Name: _____

Signature: _____
Authorized Official

Typed or Printed Name: _____

Title: _____

Date: _____

Sworn to before me this _____

day of _____,

NOTARY PUBLIC

FORM C
Non-Collusive Proposer Certification

BY SUBMISSION OF THIS RFP, PROPOSER AND EACH PERSON SIGNING ON BEHALF OF PROPOSER CERTIFIES, AND IN THE CASE OF JOINT RFP, EACH PARTY THERETO CERTIFIES AS TO ITS OWN ORGANIZATION, UNDER PENALTY OF PERJURY, THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF:

(1) The prices in this RFP have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other proposer or with any competitor;

(2) Unless otherwise required by law, the prices which have been quoted in this RFP have not been knowingly disclosed by the proposer and will not knowingly be disclosed by the proposer prior to opening, directly or indirectly, to any other proposer or to any competitor; and

(3) No attempt has been made or will be made by the proposer to induce any other person, partnership or corporation to submit or not to submit a RFP for the purpose of restricting competition.

A RFP SHALL NOT BE CONSIDERED FOR AWARD NOR SHALL ANY AWARD BE MADE WHERE [1], [2], [3] ABOVE HAVE NOT BEEN COMPLIED WITH; PROVIDED HOWEVER, THAT IF IN ANY CASE THE PROPOSER(S) CANNOT MAKE THE FOREGOING CERTIFICATION, THE PROPOSER SHALL SO STATE AND SHALL FURNISH BELOW A SIGNED STATEMENT WHICH SETS FORTH IN DETAIL THE REASONS THEREFORE:

[AFFIX ADDENDUM TO THIS PAGE IF SPACE IS REQUIRED FOR STATEMENT.]

Subscribed to under penalty of perjury under the laws of the State of New York, this ____ day of _____ as the act and deed of said corporation of partnership.

**IF PROPOSER(S) (ARE) A PARTNERSHIP, COMPLETE THE FOLLOWING:
NAMES OF PARTNERS OR PRINCIPALS/ LEGAL RESIDENCE**

_____ Name	_____ Legal Residence

**IF PROPOSER(S) (ARE) A CORPORATION, COMPLETE THE FOLLOWING:
NAMES/ LEGAL RESIDENCE**

President

Legal Residence

Secretary

Legal Residence

Treasurer

Legal Residence

Date: _____

Chief Executive Officer:

Name of Proposer: _____

[Signature]

[Typed or Printed Name]

Date: _____

Chief Financial Officer:

Name of Proposer: _____

[Signature]

[Typed or Printed Name]

Sworn to before me this _____

day of _____, 2010.

NOTARY PUBLIC

FORM D
BUSINESS INFORMATION

This form must be submitted along with all other forms included in this RFP package. All questions must be answered and the data given must be clear and comprehensive. This statement must be notarized.

1. Name of entity:
2. Permanent main office address:
3. Telephone number: Fax number:
4. Contact person regarding RFP:
5. Names of all officers and/or principals in the firm and their titles:

Name of Officer and/or Principals	Titles

6. If respondent is a closely held corporation, list stockholder's information below:

Name	Address	Office Held

7. Date organized (month, day, year):
8. If a corporation, where incorporated (city, state):
9. Number of years entity in business: Federal Tax I.D. No.:

10. Financial References: Give bank reference and names in which accounts are held.

Bank Reference	Bank Name	Bank Address

11. Has the entity or any of its Principals, Owners, Officers, Partners, Directors or Stockholders of the entity been the subject of a criminal investigation? Yes [] No []

12. If the answer to the above question is "Yes", state the court in which the investigation is taking/took place, the approximate date the investigation commenced and, if applicable, concluded as well as the subject matter of the investigation and the identity of the person(s) or entity(ies) involved:

13. Has any indictment arisen out of the investigation? Yes [] No []

14. If the answer to the above question is "Yes", state the person(s) or entity(ies) indicated and the status of any such indictment:

15. Has an entity, (i.e.) corporation, partnership, etc., in which a Principal, Owner, Officer, Partner, Director, or Stockholder has an ownership interest ever been the subject of a criminal investigation? Yes [] No []

16. If the answer to the above question is "Yes", state the court in which the investigation is taking/took place, the approximate date the investigation commenced and, if applicable, concluded as well as the subject matter of the investigation and the identity of the person(s) or entity(ies) involved:

17. Has any indictment arisen out of the investigation? Yes [] No []

18. If the answer to the above question is "Yes", state the person(s) or entity(ies) indicated and the status of any such indictment:

19. List names of any affiliated corporation of respondent, business affiliation with respondent and specify relationship:

Name of affiliated corporation	Business Affiliation	Specify Relationship

20. Identify all subcontractors proposed to be used to fulfill any part of the obligations anticipated by this proposal:

Name of subcontractor	Address	Type of work to be performed

21. Current licenses, permits and certifications are listed on **Form I** and copies of same are attached to Form I.
22. The undersigned hereby authorizes and requests any person, firm or corporation to furnish any information requested by the Authority and/or his designee on behalf of the Authority in verification of the recitals comprising this Business Information Form.

(Name of Entity)

By: _____
(Principal)

(Title)

State of New York)
County of) ss.

_____ being duly sworn, deposes and says that he/she is
_____ of _____ and that the answers to
the foregoing questions and all statements therein contained are true and correct.

Subscribed and sworn to before me this
_____ day of _____, 2010

Notary Public

**FORM E
CONFIDENTIALITY NOTICE**

The data on page(s)

of this proposal, identified by an asterisk (*) or marked along the margin with a vertical line, contain technical or financial information which are considered to be proprietary information or trade secrets, the disclosure of which would cause substantial injury to the Proposer's competitive positions. The Proposer requests that such data be used only for the evaluation of the proposal, but understands that such data may otherwise be disclosed to the extent that the Authority determines is necessary or proper for compliance with any law, order or decree of any court or agency of competent jurisdiction, or necessary or proper in the Authority's view to show compliance with any law, order or decree of any court or agency of competent jurisdiction.

Note:

Proposer is urged to only designate as confidential those materials which, in its opinion, clearly represent proprietary information or trade secrets. Cost proposal information and all proposed forms shall not be considered confidential.

Proposer

Signature of Authorized Official

Date

New York State

Vendor Responsibility Questionnaire

A contracting agency is required to conduct a review of a prospective contractor to provide reasonable assurances that the vendor is responsible. This questionnaire is designed to provide information to assist a contracting agency in assessing a vendor's responsibility prior to entering into a contract with the vendor. Vendor responsibility is determined by a review of each bidder or proposer's authorization to do business in New York, business integrity, financial and organizational capacity, and performance history.

Prospective contractors must answer every question contained in this questionnaire. Each "Yes" response requires additional information. The vendor must attach a written response that adequately details each affirmative response. The completed questionnaire and attached responses will become part of the procurement record.

It is imperative that the person completing the vendor responsibility questionnaire be knowledgeable about the proposing contractor's business and operations as the questionnaire information must be attested to by an owner or officer of the vendor. **Please read the certification requirement at the end of this questionnaire.**

**STATE OF NEW YORK
VENDOR RESPONSIBILITY QUESTIONNAIRE**

FEIN #

1. VENDOR IS: <input type="checkbox"/> PRIME CONTRACTOR <input type="checkbox"/> SUB-CONTRACTOR			
2. VENDOR'S LEGAL BUSINESS NAME		3. IDENTIFICATION NUMBERS a) FEIN # b) DUNS #	
4. D/B/A – Doing Business As (if applicable) & COUNTY FILED:		5. WEBSITE ADDRESS (if applicable)	
6. ADDRESS OF PRIMARY PLACE OF BUSINESS/EXECUTIVE OFFICE		7. TELEPHONE NUMBER	8. FAX NUMBER
9. ADDRESS OF PRIMARY PLACE OF BUSINESS/EXECUTIVE OFFICE IN NEW YORK STATE, if different from above		10. TELEPHONE NUMBER	11. FAX NUMBER
12. PRIMARY PLACE OF BUSINESS IN NEW YORK STATE IS: <input type="checkbox"/> Owned <input type="checkbox"/> Rented If rented, please provide landlord's name, address, and telephone number below:		13. AUTHORIZED CONTACT FOR THIS QUESTIONNAIRE Name Title Telephone Number Fax Number e-mail	
14. VENDOR'S BUSINESS ENTITY IS (please check appropriate box and provide additional information):			
a) <input type="checkbox"/> Business Corporation	Date of Incorporation	State of Incorporation*	
b) <input type="checkbox"/> Sole Proprietor	Date Established		
c) <input type="checkbox"/> General Partnership	Date Established		
d) <input type="checkbox"/> Not-for-Profit Corporation	Date of Incorporation	State of Incorporation*	Charities Registration Number
e) <input type="checkbox"/> Limited Liability Company (LLC)	Date Established		
f) <input type="checkbox"/> Limited Liability Partnership	Date Established		
g) <input type="checkbox"/> Other – Specify:	Date Established	Jurisdiction Filed (if applicable)	
* If not incorporated in New York State, please provide a copy of authorization to do business in New York.			
15. PRIMARY BUSINESS ACTIVITY - (Please identify the primary business categories, products or services provided by your business)			
16. NAME OF WORKERS' COMPENSATION INSURANCE CARRIER:			
17. LIST ALL OF THE VENDOR'S PRINCIPAL OWNERS AND THE THREE OFFICERS WHO DIRECT THE DAILY OPERATIONS OF THE VENDOR (Attach additional pages if necessary):			
a) NAME (print)	TITLE	b) NAME (print)	TITLE
c) NAME (print)	TITLE	d) NAME (print)	TITLE

**STATE OF NEW YORK
VENDOR RESPONSIBILITY QUESTIONNAIRE**

FEIN #

A DETAILED EXPLANATION IS REQUIRED FOR EACH QUESTION ANSWERED WITH A "YES," AND MUST BE PROVIDED AS AN ATTACHMENT TO THE COMPLETED QUESTIONNAIRE. YOU MUST PROVIDE ADEQUATE DETAILS OR DOCUMENTS TO AID THE CONTRACTING AGENCY IN MAKING A DETERMINATION OF VENDOR RESPONSIBILITY. PLEASE NUMBER EACH RESPONSE TO MATCH THE QUESTION NUMBER.

18. Is the vendor certified in New York State as a (check please): Yes No
- Minority Business Enterprise (MBE)
 - Women's Business Enterprise (WBE)
 - Disadvantaged Business Enterprise (DBE)?

Please provide a copy of any of the above certifications that apply.

19. Does the vendor use, or has it used in the past ten (10) years, any other Business Name, FEIN, or D/B/A other than those listed in items 2-4 above? Yes No
- List all other business name(s), Federal Employer Identification Number(s) or any D/B/A names and the dates that these names or numbers were/are in use. Explain the relationship to the vendor.*

20. Are there any individuals now serving in a managerial or consulting capacity to the vendor, including principal owners and officers, who now serve or in the past three (3) years have served as:
- a) An elected or appointed public official or officer? Yes No
List each individual's name, business title, the name of the organization and position elected or appointed to, and dates of service.
 - b) A full or part-time employee in a New York State agency or as a consultant, in their individual capacity, to any New York State agency? Yes No
List each individual's name, business title or consulting capacity and the New York State agency name, and employment position with applicable service dates.
 - c) If yes to item #20b, did this individual perform services related to the solicitation, negotiation, operation and/or administration of public contracts for the contracting agency? Yes No
List each individual's name, business title or consulting capacity and the New York State agency name, and consulting/advisory position with applicable service dates. List each contract name and assigned NYS number.
 - d) An officer of any political party organization in New York State, whether paid or unpaid? Yes No
List each individual's name, business title or consulting capacity and the official political party position held with applicable service dates.

**STATE OF NEW YORK
VENDOR RESPONSIBILITY QUESTIONNAIRE**

FEIN #

21. Within the past five (5) years, has the vendor, any individuals serving in managerial or consulting capacity, principal owners, officers, major stockholder(s) (10% or more of the voting shares for publicly traded companies, 25% or more of the shares for all other companies), affiliate¹ or any person involved in the bidding or contracting process:

- a) 1. been suspended, debarred or terminated by a local, state or federal authority in connection with a contract or contracting process; Yes No
2. been disqualified for cause as a bidder on any permit, license, concession franchise or lease;
3. entered into an agreement to a voluntary exclusion from bidding/contracting;
4. had a bid rejected on a New York State contract for failure to comply with the MacBride Fair Employment Principles;
5. had a low bid rejected on a local, state or federal contract for failure to meet statutory affirmative action or M/WBE requirements on a previously held contract;
6. had status as a Women's Business Enterprise, Minority Business Enterprise or Disadvantaged Business Enterprise denied, de-certified, revoked or forfeited;
7. been subject to an administrative proceeding or civil action seeking specific performance or restitution in connection with any local, state or federal government contract;
8. been denied an award of a local, state or federal government contract, had a contract suspended or had a contract terminated for non-responsibility; or
9. had a local, state or federal government contract suspended or terminated for cause prior to the completion of the term of the contract?

- b) been indicted, convicted, received a judgment against them or a grant of immunity for any business-related conduct constituting a crime under local, state or federal law including but not limited to, fraud, extortion, bribery, racketeering, price-fixing, bid collusion or any crime related to truthfulness and/or business conduct? Yes No

- c) been issued a citation, notice, violation order, or are pending an administrative hearing or proceeding or determination for violations of: Yes No
1. federal, state or local health laws, rules or regulations, including but not limited to Occupational Safety & Health Administration (OSHA) or New York State labor law;
2. state or federal environmental laws;
3. unemployment insurance or workers' compensation coverage or claim requirements;
4. Employee Retirement Income Security Act (ERISA);
5. federal, state or local human rights laws;
6. civil rights laws;
7. federal or state security laws;

**STATE OF NEW YORK
VENDOR RESPONSIBILITY QUESTIONNAIRE**

FEIN #

<p>8. federal Immigration and Naturalization Services (INS) and Alienage laws;</p> <p>9. state or federal anti-trust laws; or</p> <p>10. charity or consumer laws?</p> <p><i>For any of the above, detail the situation(s), the date(s), the name(s), title(s), address(es) of any individuals involved and, if applicable, any contracting agency, specific details related to the situation(s) and any corrective action(s) taken by the vendor.</i></p>	
<p>22. In the past three (3) years, has the vendor or its affiliates¹ had any claims, judgments, injunctions, liens, fines or penalties secured by any governmental agency? <i>Indicate if this is applicable to the submitting vendor or affiliate. State whether the situation(s) was a claim, judgment, injunction, lien or other with an explanation. Provide the name(s) and address(es) of the agency, the amount of the original obligation and outstanding balance. If any of these items are open, unsatisfied, indicate the status of each item as "open" or "unsatisfied."</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>23. Has the vendor (for profit and not-for profit corporations) or its affiliates¹, in the past three (3) years, had any governmental audits that revealed material weaknesses in its system of internal controls, compliance with contractual agreements and/or laws and regulations or any material disallowances? <i>Indicate if this is applicable to the submitting vendor or affiliate. Detail the type of material weakness found or the situation(s) that gave rise to the disallowance, any corrective action taken by the vendor and the name of the auditing agency.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>24. Is the vendor exempt from income taxes under the Internal Revenue Code? <i>Indicate the reason for the exemption and provide a copy of any supporting information.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>25. During the past three (3) years, has the vendor failed to:</p> <p>a) file returns or pay any applicable federal, state or city taxes? <i>Identify the taxing jurisdiction, type of tax, liability year(s), and tax liability amount the vendor failed to file/pay and the current status of the liability.</i></p> <p>b) file returns or pay New York State unemployment insurance? <i>Indicate the years the vendor failed to file/pay the insurance and the current status of the liability.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
<p>26. Have any bankruptcy proceedings been initiated by or against the vendor or its affiliates¹ within the past seven (7) years (whether or not closed) or is any bankruptcy proceeding pending by or against the vendor or its affiliates regardless of the date of filing? <i>Indicate if this is applicable to the submitting vendor or affiliate. If it is an affiliate, include the affiliate's name and FEIN. Provide the court name, address and docket number. Indicate if the proceedings have been initiated, remain pending or have been closed. If closed, provide the date closed.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

**STATE OF NEW YORK
VENDOR RESPONSIBILITY QUESTIONNAIRE**

FEIN #

27. Is the vendor currently insolvent, or does vendor currently have reason to believe that an involuntary bankruptcy proceeding may be brought against it? <i>Provide financial information to support the vendor's current position, for example, Current Ratio, Debt Ratio, Age of Accounts Payable, Cash Flow and any documents that will provide the agency with an understanding of the vendor's situation.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
28. Has the vendor been a contractor or subcontractor on any contract with any New York State agency in the past five (5) years? <i>List the agency name, address, and contract effective dates. Also provide state contract identification number, if known.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
29. In the past five (5) years, has the vendor or any affiliates ¹ : a) defaulted or been terminated on, or had its surety called upon to complete, any contract (public or private) awarded; b) received an overall unsatisfactory performance assessment from any government agency on any contract; or c) had any liens or claims over \$25,000 filed against the firm which remain undischarged or were unsatisfied for more than 90 days ? <i>Indicate if this is applicable to the submitting vendor or affiliate. Detail the situation(s) that gave rise to the negative action, any corrective action taken by the vendor and the name of the contracting agency.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No

¹ "Affiliate" meaning: (a) any entity in which the vendor owns more than 50% of the voting stock; (b) any individual, entity or group of principal owners or officers who own more than 50% of the voting stock of the vendor; or (c) any entity whose voting stock is more than 50% owned by the same individual, entity or group described in clause (b). In addition, if a vendor owns less than 50% of the voting stock of another entity, but directs or has the right to direct such entity's daily operations, that entity will be an "affiliate" for purposes of this questionnaire.

**STATE OF NEW YORK
VENDOR RESPONSIBILITY QUESTIONNAIRE**

FEIN #

State of:)
) ss:
County of:)

CERTIFICATION:

The undersigned: recognizes that this questionnaire is submitted for the express purpose of assisting the State of New York or its agencies or political subdivisions in making a determination regarding an award of contract or approval of a subcontract; acknowledges that the State or its agencies and political subdivisions may in its discretion, by means which it may choose, verify the truth and accuracy of all statements made herein; acknowledges that intentional submission of false or misleading information may constitute a felony under Penal Law Section 210.40 or a misdemeanor under Penal Law Section 210.35 or Section 210.45, and may also be punishable by a fine and/or imprisonment of up to five years under 18 USC Section 1001 and may result in contract termination; and states that the information submitted in this questionnaire and any attached pages is true, accurate and complete.

The undersigned certifies that he/she:

- has not altered the content of the questions in the questionnaire in any manner;
- has read and understands all of the items contained in the questionnaire and any pages attached by the submitting vendor;
- has supplied full and complete responses to each item therein to the best of his/her knowledge, information and belief;
- is knowledgeable about the submitting vendor's business and operations;
- understands that New York State will rely on the information supplied in this questionnaire when entering into a contract with the vendor; and
- is under duty to notify the procuring State Agency of any material changes to the vendor's responses herein prior to the State Comptroller's approval of the contract.

Name of Business

Signature of Owner/Officer _____

Address

Printed Name of Signatory

City, State, Zip

Title

Sworn to before me this _____ day of _____, 20____;

Notary Public

Print Name

Signature

Date



NEW YORK STATE BRIDGE AUTHORITY
EQUAL EMPLOYMENT OPPORTUNITY - PROPOSED STAFFING PLAN

Contractor' Name / Address:

Federal ID No.

Contract Number / Project Description:

EEO - Job Category	Total Work force	Work force by Gender		Work force by Race/Ethnic Identification													
		Total Male (M)	Total Female (F)	White (M)	White (F)	Black (M)	Black (F)	Hispanic (M)	Hispanic (F)	Asian (M)	Asian (F)	Native American (M)	Native American (F)	Disabled (M)	Disabled (F)	Veteran (M)	Veteran (F)
Officials/Administrators																	
Professionals																	
Technicians																	
Office Clerical																	
Equipment Operators																	
Ironworkers																	
Laborers																	
Painters																	
Teamsters																	
Totals																	

PREPARED BY (Signature):

DATE:

NAME AND TITLE OF PREPARER (Print or Type):

TELEPHONE NO.:

EMAIL ADDRESS:

NEW YORK STATE BRIDGE AUTHORITY
Management's Discussion and Analysis,
Financial Statements and
Supplementary Information
December 31, 2015 and 2014
(With Independent Auditors' Report Thereon)

NEW YORK STATE BRIDGE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

The Governing Board
New York State Bridge Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the New York State Bridge Authority (the Authority), as of and for the years ended December 31, 2015 and 2014, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in note 2(l) to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68," during the year ended December 31, 2015. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, Bridge System Assessments on pages 33 and 34, the Schedule of Funding Progress for Other Postemployment Benefits on page 35, the Schedule of Authority's Proportionate Share of the Net Pension Liability on Page 36, and the Schedule of Authority's Employer Pension Contributions on page 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2016, on the Authority's compliance with Section 201.3 of Title Two of the Official Compilation of Codes Rules, and Regulations of the State of New York. The purpose of that report is to provide an opinion as to the Authority's compliance with investment guidelines contained therein. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Toski & Co., CPAs, P.C.

Williamsville, New York
March 7, 2016

NEW YORK STATE BRIDGE AUTHORITY
Management's Discussion and Analysis
December 31, 2015

The management's discussion and analysis serves to introduce the other elements of the financial section of this annual report. Included are the basic financial statements, notes to financial statements and other supplementary financial information. The objective of this analysis is to enhance the understandability and usefulness of the external financial reports. As in previous years, the Authority is providing a comparative analysis of certain financial information.

FINANCIAL HIGHLIGHTS

Toll revenue in 2015 totaled \$56.7 million, \$1.4 million above 2014 and \$1.8 million above 2013. Other income was \$0.7 million, a decrease of \$0.3 million from prior year and \$0.1 million above 2013.

Total operating expenses of \$65.9 million decreased by \$19.8 million. This 23.1% decrease was primarily the result of decreased rehabilitation, reconstruction, and bridge repairs of \$19.5 million.

Net position at December 31, 2015 was \$41.5 million, which was \$10.8 million below the prior year.

BASIC FINANCIAL STATEMENTS

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. These statements are designed to afford an overview of the Authority's finances and consist of the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and the Statements of Cash Flows.

The notes to financial statements include additional information necessary to provide a further understanding of the basic financial statements.

Other supplemental financial information serves to give the reader additional information with respect to the condition of the bridge system and capital improvement expenditures.

FINANCIAL STATEMENT ANALYSIS

Statements of Net Position

The statements of net position present information on the Authority's assets, deferred outflows of resources and liabilities, reporting net position at year end. Increases or decreases in net position may indicate whether or not the Authority's financial position is improving. A condensed summary of the Authority's statements of net position is shown on the following pages.

NEW YORK STATE BRIDGE AUTHORITY
Management's Discussion and Analysis

Statements of Revenues, Expenses and Changes in Net Position

Toll receipts, accounting for the majority of operating revenue, totaled \$56.7 million in 2015, an increase of \$1.4 million over 2014. An increase in traffic during 2015 of 2.7% was primarily responsible for the 2.6% increase in revenues. Traffic increases were from both passenger and commercial vehicles, totaling 2.7% and 2.3% respectively. Revenue increased from both passenger and commercial vehicles by 2.8% and 2.1% respectively. The passenger category contributed \$1.0 million and the commercial category contributed \$0.4 million to the increase in 2015.

Operating expenses decreased \$19.8 million for the year as rehabilitation, reconstruction, and bridge repairs decreased by \$19.5 million due mainly to the decreased activities at the Newburgh-Beacon Bridge. Salaries decreased by \$0.5 million due to one-time payments related to settlement of the collective bargaining agreement and settlement of a labor issue in 2014, as well as, revised staffing levels at each facility in response to higher E-ZPass utilization in 2015. Employee benefits expenses were consistent with the prior year, reflecting the adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68," during the year ended December 31, 2015. Utilities decreased by \$0.1 million in 2015 due to lower energy prices and milder weather compared to prior year. Depreciation increased by \$0.2 million as the Authority continues to update equipment. Electronic toll costs increased \$0.2 million due to increased utilization of E-ZPass.

Nonoperating revenue, which is from interest income on investments was \$0.4 million for 2014, up \$0.1 million from prior year as interest rates and funds available to invest in longer maturities both increased. Historically low interest rates on government obligations in which the Authority invests continued throughout 2015 and have kept interest income low.

Nonoperating expenses consists primarily of interest and bond issuance costs. Interest paid on the Authority's outstanding bonds totaled approximately \$2.7 million for 2015. This \$0.5 million decrease is attributable to the declining outstanding principal on the Series 2011 debt issuance. The Authority did not issue any new debt in 2015. The Authority refinanced its General Revenue Bonds, Series 2002 (the "Series 2002 Bonds") in December 2011 issuance with the Series 2011 and made the last payment on its General Revenue Bonds, Series 1997 and Series 2002 Bonds on January 1, 2012. In April 2012, the Authority issued the Series 2012 General Revenue Bonds to support the Capital Program.

Statements of Cash Flows

The statements of cash flows present information on the major sources and uses of cash during the year, showing net cash provided or used in operating, capital financing and investing activities.

Net cash of \$6.4 million used in operating activities for 2015 represented a \$20.1 million improvement from 2014. This improvement was primarily a result of declining payments to contractors associated with rehabilitation, reconstruction, and bridge repairs.

NEW YORK STATE BRIDGE AUTHORITY
Management's Discussion and Analysis

Financing activities consumed \$11.8 million of cash in 2015, consistent with 2014.

Cash flows from 2015 investing activities resulted in net a cash inflow of \$17 million, which includes interest earned on investments and net cash resulting from the purchase and sale of investments. Invested cash was utilized during 2015 primarily for rehabilitation, reconstruction and bridge repairs.

AUTHORITY BUDGET

The Authority's 2015 budget projected collections of \$54.3 million, a \$0.9 million decrease over 2014. Actual revenue exceeded the budget projections by \$2.4 million as passenger traffic improved more than anticipated. Overall traffic increased from 2014 by 1.6 million vehicles. This net increase was attributable to a 1.5 million increase in passenger vehicle traffic and an 80,000 increase in commercial vehicle traffic. The increase in traffic and a change in the mix of traffic generated the \$1.4 million increase in revenue. The Authority budgeted \$0.5 million of other income. The actual amount of \$0.7 million arose mostly as a result of higher bridge permit fees and fiber leasing revenues. Additionally, because interest rates on Authority investments continued to remain at historically low levels, interest income of \$0.4 million was materially the same as budget.

Operating expenses, which were budgeted to be \$67.8 million, were \$65.9 million. Repairs, rehabilitation, and reconstruction was budgeted for \$36.2 million, but actual was \$36.6 million as projects for the year were completed materially consistent with budget expectations. The day-to-day operating budget, which was forecasted at \$31.6 million, came in at \$29.3 million. Operating reductions compared to budget arose from several different expense types. Salaries were \$1.0 million lower due to retirements and cost containment efforts. Employee benefits were \$0.3 million lower as a result of both lower employee retirement costs and partially offsetting increases from retiree healthcare. Employee retirement costs were lower primarily due to revisions to reporting requirements from GASB. The Authority adopted the provisions of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68," during the year ended December 31, 2015. Maintenance and repairs were lower by \$0.4 million as a result of lower costs associated with milder weather.

The Authority's five year capital plan budgeted \$36.2 million in 2015 while actual costs totaled \$36.6 million. The \$0.4 million variance was materially consistent with budget and reflects work that was budgeted to be completed in 2014, but extended into 2015.

NEW YORK STATE BRIDGE AUTHORITY
Management's Discussion and Analysis

TOTAL CAPITAL ASSETS AND LONG TERM DEBT

At December 31, 2015, the Authority's net investment in capital assets was \$113.4 million. Capital assets include bridges, roads, buildings, and equipment. In order to finance the commitment to its program of rehabilitation and improvement of the bridge facilities, in March 2002, the Authority issued \$50 million General Revenue Bonds having a final maturity on January 1, 2017. In December 2011, the Authority refunded these bonds and issued its \$32.4 million Series 2011 Bonds with a final maturity on January 1, 2017. In April 2012, the Authority issued \$90.3 million General Revenue Bonds, the Series 2012 Bonds, in further support of the capital program. All Authority revenue is pledged to repay these bonds. As of December 31, 2015, \$114.5 million of debt remained outstanding and funds were in reserve to retire \$6.8 million bonds on January 1, 2015.

In 2016, Standard & Poor's affirmed the Authority's AA- rating and stable outlook on its outstanding bonds. Moody's Investors Service in 2014 maintained the Aa3 rating on the Authorities General Revenue Bonds with a stable outlook.

MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS

The Authority has adopted the modified approach in reporting its infrastructure assets. This is an alternative to depreciating its bridge facilities, which requires the Authority to maintain its infrastructure at a certain measurable standard and report the associated cost as preservation (rehabilitation, reconstruction and bridge repair) expenses.

The condition of the Authority's bridge facilities is determined through annual inspections performed in accordance with New York State Department of Transportation (NYSDOT) requirements and Federal Highway Administration guidelines. The yearly inspections by the Authority's consulting engineers, Modjeski & Masters, Inc., measures the ability of each facility to function structurally, utilizing a NYSDOT condition rating ranging between 1 and 7. The Authority's policy is to keep the overall condition rating of each vehicular bridge at a 5, meaning that the bridge shows minor deterioration but is functioning as originally designed.

ADDITIONAL INFORMATION

This report is provided for the use of the Authority's bondholders, the investment community and members of the public interested in the Authority's affairs. Questions with regard to this financial report or requests for additional information may be addressed to the Treasurer, New York State Bridge Authority, P.O. Box 1010, Highland, New York 12528.

NEW YORK STATE BRIDGE AUTHORITY
 Statements of Net Position
 December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets:		
Current assets:		
Cash and equivalents	\$ 11,506,835	12,681,780
Investments	58,232,419	74,798,655
Accounts receivable	1,883,651	1,942,813
Prepaid expenses	1,442,149	1,858,696
Total current assets	<u>73,065,054</u>	<u>91,281,944</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	29,069,438	30,920,566
Bridge system	84,358,269	84,358,269
Total noncurrent assets	<u>113,427,707</u>	<u>115,278,835</u>
Total assets	<u>186,492,761</u>	<u>206,560,779</u>
Deferred outflows of resources - pensions	<u>1,952,161</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	2,471,381	1,951,604
Accrued wages, payroll taxes and fringe benefits	605,807	681,152
Contracts payable	111,523	3,494,666
Accrued interest on bonds	2,217,750	2,348,625
General revenue bonds, current portion, net	8,985,376	8,297,511
Total current liabilities	<u>14,391,837</u>	<u>16,773,558</u>
Noncurrent liabilities:		
Accrued fringe benefits	25,344,701	22,977,461
Deferred revenues	437,129	-
Net pension liability - proportionate share-ERS	1,288,547	-
General revenue bonds, net	105,512,093	114,497,468
Total noncurrent liabilities	<u>132,582,470</u>	<u>137,474,929</u>
Commitments and contingencies (note 14)		
Total liabilities	<u>146,974,307</u>	<u>154,248,487</u>
Net position:		
Net investment in capital assets	113,427,707	115,278,835
Restricted for:		
Debt service	18,223,403	18,065,112
Insurance	10,276,400	9,855,786
Construction	-	5,913,182
Maintenance reserve	33,488,088	43,130,938
Unrestricted (deficit)	<u>(133,944,983)</u>	<u>(139,931,561)</u>
Total net position	<u>\$ 41,470,615</u>	<u>52,312,292</u>

See accompanying notes to financial statements.

NEW YORK STATE BRIDGE AUTHORITY
 Statements of Revenue, Expenses and Changes in Net Position
 Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenue:		
Toll revenue	\$ 56,664,917	55,237,486
Other income	<u>701,969</u>	<u>1,032,533</u>
Total operating revenue	<u>57,366,886</u>	<u>56,270,019</u>
Operating expenses:		
Salaries	10,335,872	10,785,606
Employee benefits	7,721,177	7,720,090
Utilities	664,669	781,558
Insurance	1,577,580	1,622,396
Professional services	675,315	641,532
Supplies and materials	241,018	218,646
Equipment expense	131,299	174,463
Maintenance and repairs	726,594	780,284
Rehabilitation, reconstruction and bridge repairs	36,635,359	56,134,619
Electronic toll costs	4,095,046	3,937,958
Depreciation	2,490,608	2,339,507
Other	<u>597,551</u>	<u>580,587</u>
Total operating expenses	<u>65,892,088</u>	<u>85,717,246</u>
Operating loss	<u>(8,525,202)</u>	<u>(29,447,227)</u>
Nonoperating revenue (expenses):		
Interest income	446,350	389,953
Interest and other expenses	<u>(2,722,739)</u>	<u>(3,216,861)</u>
Total nonoperating revenue (expenses)	<u>(2,276,389)</u>	<u>(2,826,908)</u>
Decrease in net position	<u>(10,801,591)</u>	<u>(32,274,135)</u>
Net position:		
Beginning of the year, as previously stated	52,312,292	84,586,427
Cumulative effect of change in accounting principle (note 11)	<u>(40,086)</u>	<u>-</u>
Beginning of the year, as restated	<u>52,272,206</u>	<u>84,586,427</u>
End of year	<u>\$ 41,470,615</u>	<u>52,312,292</u>

See accompanying notes to financial statements.

NEW YORK STATE BRIDGE AUTHORITY
Statements of Cash Flows
Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Toll revenue	\$ 56,724,079	55,321,429
Payments to suppliers	(6,914,852)	(7,881,170)
Payments to contractors	(40,876,395)	(58,519,456)
Payments for wages and employee benefits	(16,468,853)	(16,426,440)
Other receipts	<u>1,139,096</u>	<u>1,032,533</u>
Net cash used in operating activities	<u>(6,396,925)</u>	<u>(26,473,104)</u>
Cash flows from capital financing activities:		
Purchases of capital assets	(639,481)	(562,508)
Principal paid on bonds payable	(8,297,511)	(7,877,638)
Interest paid on bonds payable	<u>(2,853,614)</u>	<u>(3,311,987)</u>
Net cash used in capital financing activities	<u>(11,790,606)</u>	<u>(11,752,133)</u>
Cash flows from investing activities:		
Change in invested funds	16,566,236	38,890,026
Interest on investments	<u>446,350</u>	<u>389,953</u>
Net cash provided by investing activities	<u>17,012,586</u>	<u>39,279,979</u>
Net change in cash and equivalents	(1,174,945)	1,054,742
Cash and equivalents at beginning of year	<u>12,681,780</u>	<u>11,627,038</u>
Cash and equivalents at end of year	<u>\$ 11,506,835</u>	<u>12,681,780</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	(8,525,202)	(29,447,227)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	2,490,608	2,339,507
Changes in:		
Accounts receivable	59,162	83,942
Prepaid expenses	416,547	(3,369)
Accounts payable and accrued expenses	519,778	(95,124)
Accrued wages, payroll taxes and fringe benefits	2,025,325	2,079,256
Contracts payable	<u>(3,383,143)</u>	<u>(1,430,089)</u>
Net cash used in operating activities	<u>\$ (6,396,925)</u>	<u>(26,473,104)</u>

See accompanying notes to financial statements.

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements

December 31, 2015 and 2014

(1) Organization

The New York State Bridge Authority (the Authority) is a Public Benefit Corporation created in 1932 and existing pursuant to Title 2, of Article 3 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York (the Act). The Act provides that the Authority shall continue its corporate existence and operate and maintain its bridge facilities so long as it shall have bonds or other obligations outstanding and until its existence shall be terminated by law. The Authority currently operates and maintains the Rip Van Winkle, Kingston-Rhinecliff, Mid-Hudson, Newburgh-Beacon, and Bear Mountain bridges crossing over the Hudson River. The Authority also holds and maintains the structure for the Walkway Over the Hudson pedestrian bridge. The Authority consists of a seven member Board appointed by the Governor with the advice and consent of the Senate. Since the Authority has no component units or potential component units, the accompanying financial statements include only the accounts of the Authority. The Authority's financial statements are included in the New York State Comprehensive Annual Financial Report.

(2) Significant Accounting Policies

(a) Basis of Presentation, Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

The operations of the Authority are reported under the business-type activities model and, as such, are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. Within this measurement focus, all assets and liabilities, and deferred inflows and outflows of resources associated with operations are included in the statement of net position with revenues recorded when earned and expenses recorded when incurred. The business-type activities model requires the Authority to include a statement of net position, a statement of revenue, expenses and changes in net position and a statement of cash flows. The statements require the classification of net position into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(a) Basis of Presentation, Measurement Focus and Basis of Accounting, Continued

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced (as applicable) by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Substantially all of the outstanding borrowings at December 31, 2015 and 2014 are to finance the cost of rehabilitation, reconstruction and bridge repair expenses which are treated as period costs. As such, this debt is not considered for purposes of determining that portion of net position invested in capital assets.

Restricted - This component of net position consists of constraints placed on net position use through external restrictions imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets".

For internal accounting and reporting, the accounts of the Authority are maintained in conformity with fund accounting. Fund accounting facilitates the observance of statutory limitations and restrictions on the use of resources.

The following funds were established by the Authority in compliance with Article V, Section 5.02 of the General Revenue Bond Resolution ("Series 1997 Resolution") adopted December 19, 1996. These funds are grouped by fund type in accordance with generally accepted accounting principles for governmental entities. All monies are to be transferred to such funds in accordance with terms outlined below, and held in depository by the designated Trustee, with the exception of the operating fund.

(1) General Fund

(a) Revenue Fund

Established to receive daily tolls and make payments to the designated funds in accordance with the terms outlined below.

(b) Operating Fund

Established to make payments from amounts received from the revenue fund, as may be required for the reasonable and necessary operating expenditures of the Authority. Amounts to be maintained in the operating fund are limited to amounts not more than sufficient to provide for reasonable and necessary operating expenditures for the remainder of the current month and ensuing two months.

(c) General Fund

Established to hold monies not required by other Authority designated funds, for any other lawful corporate purpose of the Authority.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(a) Basis of Presentation, Measurement Focus and Basis of Accounting, Continued

(2) Debt Service Funds

(a) Debt Service Fund

Established to make principal and interest payments to the Trustee or paying agent required by the Series 1997 Resolution, from amounts received from the revenue fund.

(b) Debt Service Reserve Fund

Established to receive payments from the revenue fund to the extent necessary to make the amount in such fund, as of the date of the calculation, equal to the maximum amount of principal and interest due to be paid on bonds then outstanding in the then current or any future fiscal year to which the calculation relates, excluding interest to be paid from monies held in the debt service fund.

(c) Subordinated Indebtedness Fund

Established to issue evidences of indebtedness payable out of, and which may be secured by a pledge of, such amounts in the subordinated indebtedness fund or general fund as may from time to time be available for the purpose of payment thereof.

(d) Rebate Fund

Established to hold monies for rebates of certain investment earnings.

(3) Capital Projects Fund

(a) Construction Fund

Established to hold monies paid into it from the sale of bonds to pay for costs of "The Project" or any "Additional Projects" as defined in the Series 1997 Resolution. Any remaining money upon completion or abandonment of such projects shall be transferred to other funds in accordance with the terms of the Series 1997 Resolution.

(b) Maintenance Reserve Fund

Established to make payments from amounts received from the revenue fund, for the cost of construction of additions, improvements or betterments to, or reconstruction of Authority bridge facilities, renewals or replacements of Authority facilities and for the purchase of major or extraordinary vehicles and equipment necessary to operate and/or maintain the Authority bridge facilities.

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(a) Basis of Presentation, Measurement Focus and Basis of Accounting, Continued

(3) Capital Projects Fund, Continued

(c) Insurance Fund

Established to receive payments from the revenue fund to the extent that, together with multi-risk insurance, it shall provide for the adequate protection against the physical loss or damage of a bridge facility. Additionally, the Authority may pay into a separate account in this fund, amounts sufficient to provide coverage, in addition to, or instead of, such commercial insurance policies required by the Series 1997 Resolution.

(b) Cash Deposits and Investments

The Authority is limited under its investment guidelines to the investment of funds in obligations of the United States of America (United States Government Securities), the State of New York or certificates of deposit. All cash and funds invested in certificates of deposit in any fiduciary bank or trust company must be secured at all times by United States Government Securities or obligations of the State of New York, with a market value, combined with any FDIC coverage, at least equal to the amount of such deposits. Monies held by the trustee may also be secured by obligations guaranteed by the United States of America. Investments, consisting principally of U.S. Treasury obligations and certificates of deposit with a remaining maturity of one year or less at the time of purchase, are stated at cost plus accrued interest.

(c) Capital Assets

Capital assets include buildings, furniture and equipment and the Walkway Over the Hudson structure. Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight line basis over the following estimated useful lives:

Buildings	30 years
Furniture and equipment	3 - 10 years
Walkway Over the Hudson structure	20 years

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(d) Bridge System

The bridge system consists of five bridges (6 spans) spanning the Hudson River together with the related toll plazas and approaches. The bridge system is reported at historical cost. The Authority uses the modified approach to account for the bridge system. Under the modified approach expenditures for additions and improvements to eligible infrastructure assets, which increase capacity or efficiency of the assets rather than preserve their lives, are capitalized. All other expenditures, including preservation costs, are expensed in the period incurred and the bridge system is not depreciated. The Authority performs condition assessments on the bridge system, makes annual estimates of the outlay necessary to maintain and preserve the assets at predetermined condition levels and documents that the assets are being maintained at the predetermined condition level.

(e) Real Property

Real property utilized by the Authority is held in the name of the State of New York. The Authority has, however, the right to possess and, with the approval of the Commissioner of Transportation, to sell, lease, exchange, or otherwise dispose of any property or rights therein, not necessary for its corporate purpose.

(f) Compensated Absences

In conformity with pronouncements of the Governmental Accounting Standards Board, the Authority accrues vacation and other benefits as earned by its employees.

(g) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(h) Operating Revenue

Operating revenues consist principally of toll revenue.

(i) Nonoperating Revenue

Nonoperating revenues consist principally of interest income.

(j) Operations

Provisions of the Series 1997 Resolution require that revenue in excess of expenses for operation and maintenance of the bridge system be used first for the payment of interest and principal on outstanding bonds, then for debt service reserve, subordinated indebtedness (if any), insurance, maintenance reserve, construction and finally general fund requirements. It also requires that expenses for operation and maintenance of the bridge system shall not include any provisions for depreciation of the bridge facilities or equipment, or any principal payment on bonds outstanding or any other debt obligation of the Authority.

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(j) Operations, Continued

The Authority's right to operate and collect tolls for the use of the Newburgh-Beacon Bridge is governed in part by an agreement dated December 15, 1988, between the Authority, the State of New York and the United States Department of Transportation. Consistent with the terms of Section 120(c)(2) of Public Law 100-17 and Section 402 of Title II of Public Law 101-45, the Agreement permits the use of revenues collected at that bridge only for construction and reconstruction, debt service, proper operation and maintenance of the bridges, approach roads and support facilities subject to the jurisdiction of the Authority.

(k) Deferred Outflows and Inflows of Resources

In the Statement of Net Position, in addition to assets, the Authority will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category. The first item is related to pensions reported in the Authority-wide Statement of Net Position. This represents the effect of the net change in the Authority's proportion of the collective net pension asset or liability and difference during the measurement period between the Authority's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the Authority contributions to the pension system subsequent to the measurement date.

The Authority does not have any deferred inflows of resources at December 31, 2015 or 2014.

(l) Accounting and Financial Reporting for Pensions

During the fiscal year ended December 31, 2015, the Authority adopted the provisions of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment to GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transitions for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement No. 68." The primary objective of the Statements is to improve accounting and financial reporting by state and local governments for pensions. The implementation of the Statements requires the Authority to report as an asset and/or liability its proportionate share of the collective pension asset and/or liability in the New York State Employees' Retirement System. The implementation of the Statements also requires the Authority to report a deferred outflow and/or inflow for the effect of the net change in the Authority's proportionate share of the collective net pension asset and/or liability and difference during the measurement period between the Authority's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as deferred outflows are the Authority contributions to the pension systems subsequent to the March 31, 2015 measurement date. See notes 9 and 11 for the financial statement impact of implementation on the financial statements.

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(3) Cash and Equivalents

The carrying amount of the Authority's deposits with financial institutions at December 31, 2015 totaled \$11,506,835 and the bank balance was \$11,439,197. The bank balance is collateralized/secured as follows:

Amount insured by FDIC	\$ 250,000
Collateral held by a third party in the Authority's name	3,241,464
Fiduciary funds held by trustee	<u>9,068,699</u>
	<u>\$ 12,560,163</u>

(4) Investments

The cost and market value of investments (United States Government Securities) held by the Authority as of December 31, 2015 and 2014 are summarized as follows:

<u>Restricted</u>	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Debt Service Reserve Fund -				
U.S. Treasury Notes	\$ 11,374,108	11,682,983	11,255,173	11,501,819
Insurance Fund -				
U.S. Treasury Notes	10,275,462	12,079,050	9,855,229	11,366,620
Maintenance Reserve Fund -				
U.S. Treasury Notes and Bills	33,598,896	33,636,825	43,176,513	43,267,851
Construction Fund -				
U.S. Treasury Notes	<u>-</u>	<u>-</u>	<u>9,360,980</u>	<u>9,360,946</u>
Total Restricted	55,248,466	57,398,858	73,647,895	75,497,236
Revenue Fund (Unrestricted) -				
U.S. Treasury Notes	<u>2,983,953</u>	<u>2,982,825</u>	<u>1,150,760</u>	<u>1,144,449</u>
Total	\$ <u>58,232,419</u>	<u>60,381,683</u>	<u>74,798,655</u>	<u>76,641,685</u>

All Authority investment securities are held by the financial institution's trust department in the entity's name. At December 31, 2015, the Authority's investments and maturities were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than one year</u>	<u>1 to 5 years</u>
U.S. Treasury Notes and Bills	\$ <u>60,381,683</u>	<u>36,586,738</u>	<u>23,794,945</u>

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(5) Funds Held For Restricted Purposes

At December 31, 2015 and 2014, funds held for restricted purposes by fund category consisted of the following:

	2015			
	Cash and Equivalents	United States Governmental Securities	Related Liabilities	Total
Debt Service Funds:				
Debt service fund	\$ 9,066,286	-	(2,217,750)	6,848,536
Debt service reserve fund	<u>759</u>	<u>11,374,108</u>	<u>-</u>	<u>11,374,867</u>
Fund total	<u>9,067,045</u>	<u>11,374,108</u>	<u>(2,217,750)</u>	<u>18,223,403</u>
Capital Projects Funds:				
Insurance fund	938	10,275,462	-	10,276,400
Maintenance reserve fund	<u>715</u>	<u>33,598,896</u>	<u>(111,523)</u>	<u>33,488,088</u>
Fund total	<u>1,653</u>	<u>43,874,358</u>	<u>(111,523)</u>	<u>43,764,488</u>
Combined total	<u>\$ 9,068,698</u>	<u>55,248,466</u>	<u>(2,329,273)</u>	<u>61,987,891</u>
	2014			
	Cash and Equivalents	United States Governmental Securities	Related Liabilities	Total
Debt Service Funds:				
Debt service fund	\$ 8,944,561	-	(2,348,625)	6,595,936
Debt service reserve fund	<u>214,003</u>	<u>11,255,173</u>	<u>-</u>	<u>11,469,176</u>
Fund total	<u>9,158,564</u>	<u>11,255,173</u>	<u>(2,348,625)</u>	<u>18,065,112</u>
Capital Projects Funds:				
Insurance fund	557	9,855,229	-	9,855,786
Construction fund	963	9,360,980	(3,448,761)	5,913,182
Maintenance reserve fund	<u>330</u>	<u>43,176,513</u>	<u>(45,905)</u>	<u>43,130,938</u>
Fund total	<u>1,850</u>	<u>62,392,722</u>	<u>(3,494,666)</u>	<u>58,899,906</u>
Combined total	<u>\$ 9,160,414</u>	<u>73,647,895</u>	<u>(5,843,291)</u>	<u>76,965,018</u>

Cash in the debt service fund at December 31, 2015 and 2014 was on deposit with the paying agent to meet bond and interest payments due on January 1, 2016 and January 1, 2015, respectively.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(6) Capital Assets

Capital assets at December 31, 2015 and 2014 consist of the following:

	2015			Balance December 31, 2015
	Balance December 31, 2014	Additions	Disposals	
Walkway Over The Hudson - structure	\$ 32,758,706	-	-	32,758,706
Buildings	8,128,929	-	-	8,128,929
Furniture and equipment	<u>8,070,659</u>	<u>639,480</u>	<u>(126,098)</u>	<u>8,584,041</u>
	48,958,294	639,480	(126,098)	49,471,676
Less accumulated depreciation	<u>(18,037,728)</u>	<u>(2,490,608)</u>	<u>126,098</u>	<u>(20,402,238)</u>
	<u>\$ 30,920,566</u>	<u>(1,851,128)</u>	<u>-</u>	<u>29,069,438</u>
	2014			
	Balance December 31, 2013	Additions	Disposals	Balance December 31, 2014
Walkway Over The Hudson - structure	\$ 32,758,706	-	-	32,758,706
Buildings	8,128,929	-	-	8,128,929
Furniture and equipment	<u>7,855,432</u>	<u>562,508</u>	<u>(347,281)</u>	<u>8,070,659</u>
	48,743,067	562,508	(347,281)	48,958,294
Less accumulated depreciation	<u>(16,045,502)</u>	<u>(2,339,507)</u>	<u>347,281</u>	<u>(18,037,728)</u>
	<u>\$ 32,697,565</u>	<u>(1,776,999)</u>	<u>-</u>	<u>30,920,566</u>

Depreciation expense for the years ended December 31, 2015 and 2014 amounted to \$2,490,608 and \$2,339,507, respectively.

In 2010, the pedestrian bridge known as the Walkway Over The Hudson was transferred to the Authority at a historical cost of \$32,758,706. Additionally, the Authority received fully depreciated equipment of \$80,000.

(7) Bridge System

The bridge system consists of five bridges (six spans) spanning the Hudson River together with the related toll plazas and approaches. The bridge system is recorded at cost and consists of the following at December 31, 2015 and 2014:

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(7) Bridge System, Continued

<u>Bridge Facility</u>	<u>Opened</u>	<u>2015</u>	<u>2014</u>
Rip Van Winkle Bridge	1935	\$ 2,299,147	2,299,147
Kingston-Rhinecliff Bridge	1957	20,536,609	20,536,609
Mid-Hudson Bridge	1930	12,957,846	12,957,846
Newburgh-Beacon Bridge	1963 and 1980	44,223,796	44,223,796
Bear Mountain Bridge	1924	<u>4,340,871</u>	<u>4,340,871</u>
		<u>\$ 84,358,269</u>	<u>84,358,269</u>

(8) Bonded Indebtedness

On January 22, 1997, the Authority issued \$49,015,000 of General Revenue Bonds (Series 1997) in the open market in order to provide funds for (a) the costs of providing for the payment at or in advance of maturity (defeasement) of the Outstanding Series 1989 Bridge System Revenue Bonds (Series 1989) and the Series 1992 Bridge System Revenue Bonds (Series 1992) of the Authority, (b) to finance a portion of the costs of the 1997 Project, which consists of certain reconstruction and rehabilitation projects for the Authority's bridge system, (c) to fund the debt service reserve fund to the level required by the resolution and (d) to pay the costs of issuance of the Series 1997 Bonds.

On March 7, 2002, the Authority issued \$50,000,000 of General Revenue Bonds (Series 2002) in the open market in order to provide funds to finance a portion of the costs of the 2002 Project, which consisted of certain reconstruction and rehabilitation projects for the Authority's bridge system. The proceeds were used to (a) fund the debt service reserve fund to the level required by the bond resolution and (b) pay the costs of issuance of the Series 2002 Bonds.

On December 15, 2011, the Authority issued \$32,410,000 in General Revenue Bonds (Series 2011) with an average interest rate of 2.6% to advance refund \$35,535,000 of outstanding Series 2002 Bonds with an average interest rate of 3.4%. The net proceeds of \$36,472,358 were deposited in a trust with an agent to provide for future debt service payments on the bonds. As a result, the bonds are considered defeased and the liability for those bonds has been removed from the Authority's financial statements. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) was approximately \$3.3 million.

On May 22, 2012, the Authority issued \$90,325,000 in General Revenue Bonds (Series 2012) in the open market in order to provide funds to finance a portion of the costs of the 2012 Project, which consisted of certain reconstruction and rehabilitation projects for the Authority's bridge system. The proceeds were used to (a) fund the debt service reserve fund to the level required by the bond resolution and (b) pay the costs of issuance of the Series 2012 bonds.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(8) Bond Indebtedness, Continued

Changes in indebtedness for the years ended December 31, 2015 and 2014 are summarized as follows:

	2015				
	Balances at December 31, <u>2014</u>	<u>Additions</u>	<u>Deductions</u>	Balances at December 31, <u>2015</u>	Due within <u>one year</u>
Series 2011	\$ 20,100,000	-	(6,435,000)	13,665,000	6,690,000
Series 2012	<u>90,180,000</u>	-	<u>(145,000)</u>	<u>90,035,000</u>	<u>155,000</u>
Subtotal	110,280,000	-	(6,580,000)	103,700,000	6,845,000
Unamortized bond premium	<u>12,514,979</u>	-	<u>(1,717,510)</u>	<u>10,797,469</u>	<u>2,140,376</u>
Total revenue bonds	\$ <u>122,794,979</u>	-	<u>(8,297,510)</u>	<u>114,497,469</u>	<u>8,985,376</u>
2014					
	Balances at December 31, <u>2013</u>	<u>Additions</u>	<u>Deductions</u>	Balances at December 31, <u>2014</u>	Due within <u>one year</u>
Series 2011	\$ 26,345,000	-	(6,245,000)	20,100,000	6,435,000
Series 2012	<u>90,325,000</u>	-	<u>(145,000)</u>	<u>90,180,000</u>	<u>145,000</u>
Subtotal	116,670,000	-	(6,390,000)	110,280,000	6,580,000
Unamortized bond premium	<u>14,002,617</u>	-	<u>(1,487,638)</u>	<u>12,514,979</u>	<u>1,717,511</u>
Total revenue bonds	\$ <u>130,672,617</u>	-	<u>(7,877,638)</u>	<u>122,794,979</u>	<u>8,297,511</u>

The bonds have serial maturities as of December 31, 2015 as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 6,845,000	4,143,250	10,988,250
2017	7,135,000	3,789,700	10,924,700
2018	7,450,000	3,491,700	10,941,700
2019	7,745,000	3,181,900	10,926,900
2020	8,055,000	2,859,700	10,914,700
2021 - 2025	45,375,000	8,897,700	54,272,700
2026 - 2027	<u>21,095,000</u>	<u>432,200</u>	<u>21,527,200</u>
	103,700,000	26,796,150	130,496,150
Plus: unamortized bond premium	<u>10,797,469</u>	-	<u>10,797,469</u>
	\$ <u>114,497,469</u>	<u>26,796,150</u>	<u>141,293,619</u>

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(8) Bond Indebtedness, Continued

The Series 2012 and 2011 Bonds, which bear interest at rates ranging from 2% to 5% to , are general obligations of the Authority and are payable from and secured by a pledge of all monies or revenues of the Authority, including tolls and other revenues derived from the operations of the Authority's bridge facilities.

The Series 2012 Bonds maturing on or after January 1, 2023 are subject to redemption prior to maturity, at the option of the Authority, as a whole or in part at any time on or after January 1, 2022, at the redemption price of par plus accrued interest to the redemption date. The Bonds are subject to optional redemption on any date prior to maturity at the option of the Authority, as a whole or in part at the Make-Whole Redemption Price.

The Series 2011 Bonds are subject to redemption prior to maturity, at the option of the Authority, as a whole or in part at the redemption price of par plus accrued interest to the redemption date.

(9) Retirement Plan

(a) Plan Descriptions and Benefits Provided

Employees' Retirement System (ERS)

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Authority (the Authority), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Authority and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/inex.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(9) Retirement Plan, Continued

(a) Plan Descriptions and Benefits Provided, Continued

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 who generally contribute 3.0 percent of their salary for their entire length of service. Those joining on or after April 21, 2012 are required to contribute between 3 and 6 percent, dependent on salary, throughout their working careers. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2015	\$ 1,678,527
2014	1,876,986
2013	2,050,908

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the Authority reported the following liability for its proportionate share of the net pension liability for ERS. The net pension liability was measured as of March 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Authority.

Actuarial valuation date	3/31/2015	3/31/2014
Net pension liability	\$ 1,288,547	1,723,606
Authority's proportion of the Plan's net pension liability	0.0381425%	0.0381425%

For the year ended December 31, 2015, the Authority recognized pension expense of \$1,444,073 for ERS. At December 31, 2015 the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(9) Retirement Plan, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 41,248	-
Net difference between projected and actual earnings on pension plan investments	223,804	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	8,582	-
Authority's contributions subsequent to the March 31, 2015 measurement date	<u>1,678,527</u>	<u>-</u>
Total	<u>\$ 1,952,161</u>	<u>-</u>

Authority contributions subsequent to the March 31, 2015 measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended</u>	<u>ERS</u>
2016	\$ 68,409
2017	68,409
2018	68,409
2019	68,409
2020	-
Thereafter	-

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(9) Retirement Plan, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2015
Actuarial valuation date	April 1, 2014
Interest rate	7.5%
Salary scale	4.9% Average
Decrement tables	April 1, 2005 - March 31, 2010 System's Experience
Inflation rate	2.7%

Annuitant mortality rates are based on April 1, 2005 - March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	March 31, 2015
Asset type:	
Domestic equity	7.30%
International equity	8.55%
Real estate	8.25%
Private equity	11.00%
Absolute return strategies	6.75%
Opportunities portfolio	8.60%
Real assets	8.65%
Bonds and mortgages	4.00%
Cash	2.25%
Inflation - indexed bonds	4.00%

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(9) Retirement Plan, Continued

(d) Discount Rate

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension (asset) liability	\$ <u>8,588,720</u>	<u>1,288,547</u>	<u>(4,874,610)</u>

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of all participating employers as of the respective valuation dates, were as follows:

	(Dollars in Millions)
Valuation date	3/31/2015
Employers' total pension liability	\$(164,592)
Plan net position	<u>161,213</u>
Employers' net pension asset/(liability)	\$ <u>(3,379)</u>
Ratio of plan net position to the Employers' total pension asset/(liability)	97.95%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2015 and 2014 represent the projected employer contribution for the period of April 1, 2015 through March 31, 2016 and April 1, 2014 through March 31, 2015, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(10) Postemployment Benefits

The Authority implemented the accounting and disclosure requirements of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB) effective for its fiscal year beginning January 1, 2007. The Authority previously recorded a liability for retiree health benefits for only those who had retired, and not for active employees, as required by GASB Statement No. 45.

Plan Description - The Authority provides continuation of medical coverage to employees that retire at age 55 with five years of service if hired before April 1, 1975 or ten years of service if hired after April 1, 1975. For employees with a date of retirement before April 1, 1983 and at least five years of service, the Authority contributes 100% of costs for employees and 75% for an employee's spouse. For employees with a date of retirement after April 1, 1983 and at least ten years of service, the Authority contributes 90% for employees and 75% for an employee's spouse.

The Authority provides certain health care benefits for retired employees. Substantially all of the Authority's employees may become eligible for these benefits if they reach the normal retirement age, of the respective tier of the New York State Employees' Retirement System, while working for the Authority. The Authority, on an annual basis, accrues the cost which represents the present value of these benefits to be paid over the estimated lives of the retirees. The increase in the OPEB liability for the years ended December 31, 2015 and 2014 totaled \$2,362,352 and \$1,979,711, respectively. At December 31, 2015 and 2014, the OPEB liability included in noncurrent accrued fringe benefits was \$24,734,371 and \$22,372,019, respectively. The amount charged to expense was \$3,515,429 and \$3,118,486 for the years ended December 31, 2015 and 2014, respectively.

The number of participants as of January 1, 2015 was as follows:

Active employees	117
Retired employees	<u>107</u>
Total	<u>224</u>

Funding Policy - The Authority currently pays for post-retirement health care benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue.

<u>Benefit Obligations and Normal Cost</u>	<u>2015</u>	<u>2014</u>
Actuarial accrued liability (AAL):		
Retired employees	\$ 24,191,368	20,547,536
Active employees	<u>27,904,316</u>	<u>25,385,471</u>
Total	\$ <u>52,095,684</u>	<u>45,933,007</u>
Underfunded actuarial accrued liability (UAAL)	\$ <u>52,095,684</u>	<u>45,933,007</u>
Normal cost	\$ <u>1,121,922</u>	<u>1,028,085</u>

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(10) Postemployment Benefits, Continued

Level Dollar Amortization

Calculation of ARC under projected Unit Credit Method:

Amortization of UAAL over 30 years with interest to end of year	\$ 2,558,646	2,237,518
Normal costs with interest to end of year	<u>1,240,806</u>	<u>1,131,351</u>
Annual required contribution (ARC)	\$ <u>3,799,452</u>	<u>3,368,869</u>

Annual OPEB Cost and Net OPEB Obligation

Annual required contribution	\$ 3,799,452	3,368,869
Interest on net OPEB obligation	856,848	781,023
Adjustment to annual required contribution	<u>(1,140,871)</u>	<u>(1,031,406)</u>
Annual OPEB cost (expense)	3,515,429	3,118,486
Contributions made on a pay-as-you-go basis	<u>(1,153,077)</u>	<u>(1,138,715)</u>
Increase in net OPEB obligation	2,362,352	1,979,771
Net OPEB obligation at beginning of year	<u>22,372,019</u>	<u>20,392,248</u>
Net OPEB obligation at end of year	\$ <u>24,734,371</u>	<u>22,372,019</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

<u>Year Ending</u>	<u>Annual Required Contribution</u>	<u>Annual OPEB Cost</u>	<u>OPEB Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/15	\$ 3,749,884	3,515,429	1,153,077	32.8%	24,734,371
12/31/14	3,368,869	3,118,486	1,138,715	36.5%	22,372,019
12/31/13	3,200,363	2,998,821	1,026,152	34.2%	20,392,248

Actuarial methods and assumptions:

	<u>2015</u>	<u>2014</u>
Funding interest rate	3.83%	3.83%
2015 and 2014 medical trend rate, respectively	8.00%	9.25%
Ultimate trend rate	5%	5%
Year ultimate trend rate reached	2018	2018
Annual payroll growth rate	2.5%	2.5%
Actuarial cost method	Attained Age	Attained Age
The remaining amortization period at year-end	21 years	22 years

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(11) Cumulative Effect of Change in Accounting Principle

During the fiscal year ended December 31, 2015, the Authority implemented GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment to GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement No. 68." The implementation of these Statements resulted in the reporting of deferred outflows of resources and a liability related to the Authority's participation in the New York State Employees' retirement systems. The Authority's net position at January 1, 2014 has been restated as follows:

Net position at beginning of year, as previously stated	\$ 52,312,292
GASB Statement No. 68 implementation:	
Beginning System liability - Employees' Retirement System as of December 31, 2014	(1,723,606)
Beginning deferred outflow of resources resulting from:	
Differences between expected and actual experience	275,780
Contributions subsequent to the measurement date	<u>1,407,740</u>
Cumulative effect of implementation	<u>(40,086)</u>
Net position at beginning of year, as restated	\$ <u>52,272,206</u>

(12) Administrative Services Assessment

Through the Public Authorities Law Section 2975, the State of New York (the State) established a cost recovery of central governmental services to various public authorities. This statute directs the New York State Division of the Budget to determine the amount to be assessed to each public authority. The State Treasurer imposes and collects the assessments which are deposited into the State's general fund. The administrative services assessment for the Authority for the years ended December 31, 2015 and 2014 amounted to \$369,000.

(13) Risk Management

The Authority purchases commercial insurance policies in varying amounts for general liability, vehicle liability, damage to fixed assets, and public officials and employee liability coverage. The Authority also pays unemployment claims to the State as incurred. There are no claims relating to the bridge facilities, however, the Authority has funded a reserve of \$10,276,400 at December 31, 2015 to meet its deductible should a claim arise.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(14) Commitments and Contingencies

The Authority is a defendant in a number of lawsuits. While the outcome of these lawsuits or other proceedings against the Authority cannot be predicted with certainty, the Authority does not expect that these matters will have a material adverse effect on its financial position.

(15) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 72 - "Fair Value Measurement and Application" provides guidance regarding accounting and financial reporting relate to fair value measures of certain investments. The requirements of this Statement are effective for periods beginning after June 15, 2015, which is the fiscal year beginning January 1, 2016 for the Authority. The effects of this Statement on the financial statements of the Authority are not presently determinable.

GASB Statement No. 73 - "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This Statement, issued in June 2015, establishes requirements for defined benefit pension plans and defined contribution pension plans that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as requirements for the assets accumulated for purposes of providing those pensions. The requirements of this Statement for pensions that are not within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2016. Requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions as well as the requirements for pension plans within the scope of Statements 67 and 68 are effective for fiscal years beginning after June 15, 2015, which is the fiscal year beginning January 1, 2016. The effects of this Statement on the financial statements of the Authority are not presently determinable.

GASB Statement No. 74 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement, issued in June 2015, replaces existing standards of accounting and financial reporting for postemployment benefit plans other than pension plans and also replaces existing requirements for defined contribution OPEB plans. The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2016, which is the fiscal year beginning January 1, 2017 for the Authority. The effects of this Statement on the financial statements of the Authority are not presently determinable.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(15) Accounting Standards Issued But Not Yet Implemented. Continued

GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement, issued in June 2015, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for fiscal years beginning after June 15, 2017, which is the fiscal year beginning January 1, 2018 for the Authority. The effects of this Statement on the financial statements of the Authority are not presently determinable.

GASB Statement No. 76 - "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This Statement, issued in June 2015, supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, and reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements for this Statement are effective for financial statements for periods beginning after June 15, 2015, which is the fiscal year beginning January 1, 2016 for the Authority. This Statement is not expected to have a material effect on the financial statements of the Authority.

GASB Statement No. 77 - "Tax Abatement Disclosures." This Statement, issued in August 2015, requires governments that enter into tax abatement agreements to disclose taxes abated, the gross amount of such taxes abated during the period and any other commitments made by the government other than to abate taxes, as a part of the abatement agreement. The requirements for this Statement are effective for financial statements for periods beginning after December 15, 2015, which is the fiscal year beginning January 1, 2016 for the Authority. The effects of this Statement on the financial statements of the Authority are not presently determinable.

GASB Statement No. 78 - "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans." This Statement, issued in December 2015 amends GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The provisions of this Statement are effective for financial statements for years beginning after December 15, 2015, which is the fiscal year beginning January 1, 2016 for the Authority. The effects of this Statement on the financial statements of the Authority are not presently determinable.

NEW YORK STATE BRIDGE AUTHORITY
Notes to Financial Statements, Continued

(15) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 79 - "Certain External Investment Pools and Pool Participants." This Statement, issued in December 2015, addresses the accounting and financial reporting for certain external investment pools and pool participants. It establishes the criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The provisions of this Statement are effective for financial statements for years beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. For the Authority, this statement becomes effective for the fiscal year beginning January 1, 2016. The effects of this Statement on the financial statements of the Authority are not presently determinable.

GASB Statement No. 80 - "Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14." This Statement, issued in January 2016, amends the blending requirements for the financial statement presentation of component units of all state and local governments. It requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The provisions of this Statement are effective for financial statements for years beginning after June 15, 2016, which is the fiscal year beginning January 1, 2017 for the Authority. This Statement is not expected to have a material effect on the financial statements of the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

NEW YORK STATE BRIDGE AUTHORITY

Required Supplementary Information -

Bridge System Assessments

December 31, 2015

<u>Condition Rating*</u>	Number of Bridges					
	<u>2015</u>		<u>2014</u>		<u>2013</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
New	-	-	-	-	-	-
Minor Deterioration	9	100%	9	100%	9	100%
Serious Deterioration	-	-	-	-	-	-
Totally Deteriorated	-	-	-	-	-	-
Total	<u>9</u>	<u>100%</u>	<u>9</u>	<u>100%</u>	<u>9</u>	<u>100%</u>

*The condition of the Authority's bridge system is determined using annual inspection procedures. The inspections are conducted in accordance with New York State Department of Transportation (NYSDOT) requirements and Federal Highway Administration Guidelines. The NYSDOT bridge condition rating, which is an assessment of the ability to function structurally, is determined during biennial inspections using a numerical condition scale ranging from 1.0 (totally deteriorated) to 7.0 (new condition). The complete NYSDOT numerical rating scale is as follows:

- 1 - Totally deteriorated, or in failed condition.
- 2 - Used to shade between ratings 1 and 3.
- 3 - Serious deterioration, or not functioning as originally designed.
- 4 - Used to shade between 3 and 5.
- 5 - Minor deterioration, but functioning as originally designed.
- 6 - Used to shade between 5 and 7.
- 7 - New condition, no deterioration.

The number of bridges included in the annual inspection process includes the six spans crossing the Hudson River and three overpasses. The Walkway Over the Hudson, which is a pedestrian bridge, is excluded.

It is the Authority's policy to keep the overall condition number of each bridge at a condition rating of at least 5.0. Presently, all bridges are inspected annually with three bridges receiving the more thorough biennial inspections and three receiving maintenance inspections.

NEW YORK STATE BRIDGE AUTHORITY

Required Supplemental Information -
Bridge System Assessments, Continued

Estimated-to-Actual Capital Improvement Expenditures in (\$000's):

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Estimated	\$ 36,180	80,814	54,953	18,316	18,934
Actual	36,635	56,135	34,446	20,678	15,304

Significant variations between the estimated, or budgeted, and actual costs of capital improvements are noted in each year.

In 2011, several projects totaling \$3.2 million were deferred to 2012 or later. Estimated capital improvements were initially projected as net of federal grants to fund projects. The Authority reported federal funds receivable totaling \$0.6 million for 2011 as other income while the cost was reported as capital improvement expenditures.

In 2012, capital improvements exceeded projections primarily as a result of two projects. The first project was to paint a section of the Newburgh-Beacon Bridge. The project schedule was accelerated. More progress was made in 2012 accelerating \$1.8 million into 2012 from subsequent years in the capital program. The second project related to the Mid-Hudson Bridge where deck and joint repair exceeded budget by \$1.0 million. This was the result of more extensive repairs being required than had been originally anticipated.

In 2013, capital improvement projections exceeded actual results because of delays on two projects at the Newburgh-Beacon Bridge. The paint project was projected to be completed in 2013 ahead of schedule, but unanticipated delays during 2013 delayed its completion to 2014, or later. The redecking job was delayed as a result of unanticipated issues encountered in the awarding and commencement of work than had been projected before awarding the contract.

In 2014, capital improvement projections exceeded actual results primarily as a result of slower than projected progress on the redecking of the Newburgh-Beacon Bridge. A late start to the year as a result of weather impacting the start of work in the spring and the contractor rescheduling elements of the project into 2015 as allowed under the contract drove the variance to original estimate. The work originally expected to be completed in 2014 is expected to be completed within the overall original contracted project timeline ending in 2015.

In 2015, actual capital improvement costs exceeded projections. This was a result of activities carried over from 2014. The redecking project for the Newburgh Beacon south span was completed in 2015 on time and materially on budget.

NEW YORK STATE BRIDGE AUTHORITY

Required Supplementary Information

Scheduling of Funding Progress for Other Postemployment Benefits (OPEB)

December 31, 2015

The schedule of funding progress presents the results of OPEB valuations for the past three years. All determined information has been calculated in accordance with the actuarial assumptions and methods reflected in the actuarial valuations as of the indicated actuarial valuation date.

<u>For Year Ended</u>	<u>Valuation Date</u>	<u>Actual Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Ratio UAAL to Budget Covered Payroll</u>
12/31/15	1/1/2015	\$ -	\$ 52,095,684	\$ 52,095,684	0.0%	9,885,850	527%
12/31/14	1/1/2013	\$ -	\$ 45,933,007	\$ 45,933,007	0.0%	10,785,606	426%
12/31/13	1/1/2013	\$ -	\$ 44,242,704	\$ 44,242,704	0.0%	10,426,886	424%

NEW YORK STATE BRIDGE AUTHORITY
 Required Supplementary Information
 Schedule of Authority's Proportionate Share of the Net Pension Liability
 For the year ended December 31, 2015

NYSERS Pension Plan		
	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability	0.0381425%	0.0381425%
Authority's proportionate share of the net pension liability	\$ 1,288,547	\$ 1,723,606
Authority's covered payroll	\$ 9,885,850	\$ 10,118,000
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	13.03%	17.04%
Plan fiduciary net position as a percentage of the total pension liability	97.95%	97.20%

* The amounts presented for each fiscal year were determined as of the March 31, 2015 and 2014 measurement dates of the plans.

NEW YORK STATE BRIDGE AUTHORITY
 Required Supplementary Information
 Schedule of Authority's Employer Pension Contributions
 For the year ended December 31, 2015

	NYSERS Pension Plan				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$1,678,527	1,876,986	2,050,908	1,796,856	2,234,373
Contributions in relation to the contractually required contribution	<u>1,678,527</u>	<u>1,876,986</u>	<u>2,050,908</u>	<u>1,796,856</u>	<u>2,234,373</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$9,885,850	10,118,000	10,047,059	N/A	9,132,299
Contributions as a percentage of covered employee payroll	16.98%	18.55%	20.41%	N/A	24.47%

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Governing Board
New York State Bridge Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the New York State Bridge Authority (the Authority), as of and for the year ended December 31, 2015, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Toski & Co., CPAs, P.C.

Williamsville, New York
March 7, 2016

INDEPENDENT ACCOUNTANTS' REPORT ON INVESTMENT PROGRAM COMPLIANCE

The Governing Board
New York State Bridge Authority:

We have audited the New York State Bridge Authority's (the Authority) compliance with the types of compliance requirements described in the Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York related to its investment program during the year ended December 31, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York related to its investment program.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the Authority's investment program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the investment program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the investment program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Investment Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investment program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirement that could have a direct and material effect on the investment program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the investment program and to test and report on internal control over compliance for the investment program in accordance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York. Accordingly, this report is not suitable for any other purpose.

Toski & Co., CPAs, P.C.

Williamsville, New York
March 7, 2016

New York State Bridge Authority

2011 Internal Audit Plan

TRONCONI SEGARRA
& ASSOCIATES^{LLP}

Certified Public Accountants
Business Consultants

SOLUTIONS BEYOND THE OBVIOUS

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SOLUTIONS BEYOND THE OBVIOUS

November 10, 2011

Mr. Francis Vecillio
Audit Committee Chairman
New York State Bridge Authority
Mid-Hudson Bridge Toll Plaza – State Routes 44/55
P.O. Box 1010
Highland, New York 12528

Dear Mr. Vecillio,

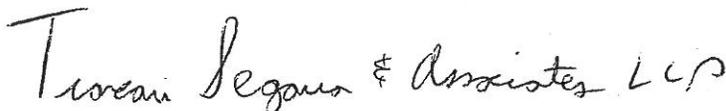
We are pleased to present the 2011 internal audit plan for the New York State Bridge Authority (the "Authority").

The purpose of our engagement is to assist the Authority in achieving compliance with the applicable provisions of the *Public Authorities Accountability Act of 2005* as amended by the *Public Authorities Reform Act of 2009* (the "Act"). Among other requirements, Public Authorities Law requires all public authorities to complete an annual assessment of the effectiveness of their internal control structure and procedures within ninety (90) days after the end of its fiscal year. Additionally, State authorities with a majority of the members appointed by the Governor must establish and maintain a system of internal control and a program of internal control review.

We believe our approach, as set forth in the accompanying internal audit plan, is designed to allow the Authority to achieve compliance with these requirements. The internal audit plan was developed based on discussions with Authority management, our understanding of the requirements of the Act, and our understanding of recent developments and emerging issues that may affect the Authority.

We appreciate the opportunity to serve you and thank you and the various Authority personnel with whom we will work in advance for your cooperation. Should you have any questions, comments, or concerns, please do not hesitate to contact us.

Sincerely,



Tronconi Segarra & Associates LLP

New York State Bridge Authority
Internal Audit Plan
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2011

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New York State Bridge Authority
Internal Audit Plan

Administrative Matters

Engagement Team Management

The following individuals have been assigned to lead and manage the Authority's annual risk assessment for 2011:

Name	Role	Email	Telephone
Mark Ferm, CPA	Engagement Partner	maf@tsacpa.com	716-633-1373
Christopher Cirrincione, CPA	Engagement Manager	clc@tsacpa.com	716-633-1373

All individuals above are available to Authority and to the Audit Committee at any time.

New York State Bridge Authority
Internal Audit Plan (continued)

Internal Audit Process

Activities and Timeline

We provide this proposed internal audit plan for your consideration. This audit plan will be finalized once approved by the Audit Committee.

The internal audit plan will be performed in accordance with the activities and timeline presented below and may be amended from time to time (if need be) to address any emerging high-risk issues identified by the Audit Committee and/or based on the results of our work.

Activity	Proposed Timing
Preliminary discussions with Authority management to gain an understanding of Authority operations and perceived risk areas; Identification of the major functions of each of the Authority's assessable units; development/preparation of the internal audit plan including a preliminary risk assessment, and testing rotation plan to review the moderate and high-risk major functions of the Authority (as identified below).	October 31 – November 9
DRAFT internal audit plan and submit to Audit Committee for review & approval.	No later than November 10
Gain an understanding of the flow of transactions within the moderate and high-risk functions selected for testing; evaluate the adequacy of relevant policies; determine the adequacy of the design of key controls and whether or not they have been implemented through observation, inquiry, and transaction walkthroughs; Design tests of certain key controls to determine operating effectiveness.	December 19 – January 13
Perform key control testing within moderate and high-risk areas selected for testing; summarize results.	January 16 – January 20
Evaluate (risk rate) identified risks/control deficiencies; verify the accuracy of the findings through discussions with management; DRAFT the annual risk assessment report;	January 23 – February 3
Formal presentation of DRAFT risk assessment report to the Audit Committee.	By no later than February 15
Finalize annual risk assessment report and issue report	Immediately after presentation to Audit Committee

New York State Bridge Authority
Internal Audit Plan (continued)

Internal Audit Process (continued)

Preliminary Risk Assessment

Based on discussions with Authority management, our limited review of Authority policies provided by management, our review of the Authority's 2010 financial statements and agreed-upon procedures reports, and our professional judgment, we have identified thirteen (13) major functions of the Authority and have arrived at the following preliminary risk assessments:

<u>Major Function</u>	<u>Low</u>	<u>Moderate</u>	<u>High</u>
1 Cash Management and Investments		x	
2 Debt Issuance and Debt Service	x		
3 Risk Management	x		
4 Budget & Budget Monitoring	x		
5 Financial Reporting		x	
6 Personnel, Payroll, and Benefits		x	
7 Facilities Inspection & Maintenance Programs			x
8 Contract Coordination & Supervision		x	
9 Procurement, Accounts Payable, & Employee Travel			x
10 Fixed Asset Acquisition, Inventory, and Disposal		x	
11 Administration of IT Security Program			x
12 Toll Collection & Revenues			x
13 Disaster Planning & Recovery	x		

Risk factors considered in our preliminary risk assessment above included the nature of the transactions (i.e., volume, size, and complexity), the nature of the operating environment (e.g., significant changes, strategic value, and regulatory environment), the degree of management oversight, the extent of automation and reliance on information systems, and personnel considerations (i.e., experience of staff, turnover, and degree of delegation).

Authority management has informed us of the past fraud involving the Facilities Inspection and Maintenance Program function and the resulting New York State Office of Inspector General's investigation of the Authority. Since known fraud has occurred in the past within the Facilities Inspection and Maintenance Program function, we have deemed the Facilities Inspection and Maintenance Program function to be a high-risk function to be reviewed in year one of the testing rotation plan discussed on the following page.

New York State Bridge Authority
Internal Audit Plan (continued)

Internal Audit Process (continued)

Testing Rotation Plan

As previously discussed, State authorities with a majority of the members appointed by the Governor must establish and maintain a system of internal control and a program of internal control review. A program of internal control review includes, among other things, the development of a process or cycle to assess risk and the testing of controls for the major functions of the Authority. Accordingly, we propose a testing rotation plan to achieve testing within all nine (9) of the moderate and high-risk major functions of the Authority (as identified below) over a three (3) year period beginning December 31, 2011 and ending December 31, 2013. We propose the following testing rotation plan for the fiscal years ending December 31:

<u>Major Function</u>	<u>2011</u>	<u>Preliminary</u> <u>2012</u>	<u>2013</u>
1 Cash Management and Investments		x	
2 Financial Reporting			x
3 Personnel, Payroll, and Benefits		x	
4 Facilities Inspection & Maintenance Programs	x		
5 Contract Coordination & Supervision			x
6 Procurement, Accounts Payable, & Employee Travel	x		
7 Fixed Asset Acquisition, Inventory, and Disposal		x	
8 Administration of IT Security Program			x
9 Toll Collection & Revenues	x	x	x

Given the significant volume of cash transactions and resulting revenue involving the Toll Collections and Revenues function, we will perform procedures on this function in each of the three years referenced above. Year one will be the initial assessment year in which we will perform our normal procedures including gaining an understanding of the flow of transactions, perform transaction walkthroughs to evaluate the design of key controls and whether or not they have been implemented, and perform testing to determine the operating effectiveness of certain key controls. In years two and three we will update our understanding of the flow of transactions and key controls through interviews with Authority personnel and a review of relevant written policies and procedures, and determine whether or not any significant changes have occurred from the prior year and if testing is required as the result of these changes.

Each year we will update the Authority's risk assessment and determine whether or not changes to the initial rotation plan are appropriate.

New York State Bridge Authority
Internal Audit Plan (continued)

Internal Audit Process (continued)

Nature of Internal Audit Procedures

Our audit procedures for the major functions selected for testing will include, but will not be limited to, the performance of the following:

- Preparation of a process narrative to document our understanding of the flow of transactions within the major functions, and to document our understanding of the Authority's relevant policies and procedures;
- Examination and evaluation of the adequacy of relevant written policies of the major functions selected for testing;
- Testing the operating effectiveness of certain key internal controls within the major functions selected through inquiry, observation, examination, and re-performance;
- Assessment of the adequacy of the segregation of duties within the major functions; and
- Assessment of the adequacy of staffing levels, management oversight, cross-training of key positions, etc.

For the major functions selected for testing, we will update our understanding of the flow of transactions within these functions, identify potential risks and key internal controls, and perform walkthroughs of significant transaction classes to confirm our understanding of the flow of transactions as described to us during our interviews with Authority personnel. As we perform each walkthrough we will evaluate the adequacy of the design of key controls and determine whether or not the key control has been implemented. We also intend to question Authority personnel about their understanding of the Authority's prescribed procedures and controls. Our inquiries during the walkthroughs will include follow-up questions that could help identify deviations from prescribed controls or indicators of fraud. Such inquiries could include:

- What do they do when they encounter errors?
- What types of errors have they encountered?
- What happened as a result of finding the errors?
- How were the errors resolved?
- Have they ever been asked to override the process or controls, if so why did it occur? What happened?

New York State Bridge Authority
Internal Audit Plan (continued)

Risk Evaluation Criteria

Report Risk Rating

The Authority's risks are the risks that an action or event will adversely affect the Authority's ability to successfully achieve its objectives. During our engagement, we may become aware of various sources of risk that impact the Authority. We will evaluate these risks by using two distinct assessments of impact and likelihood and will reach an overall conclusion regarding the identified risks by cycle. Our overall conclusion, by cycle, will fall into one of the following categories:

- **High** – cycles that fall into this category generally contain risks that require immediate attention and may include one or more material weaknesses. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.
- **Medium** – cycles that fall into this category generally contain risks that warrant attention and corrective action, and may include one or more control deficiencies. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
- **Low** – cycles that fall into this category generally contain risks that warrant the least amount of attention and may also include recommendations for best practices. Underlying risks may be currently mitigated by identified compensating controls or may be considered minor given the dollar value involved.

New York State Bridge Authority
Internal Audit Plan (continued)

Other

Notification of Fraud or Suspected Fraud

Should we become aware of any fraud or illegal acts (whether suspected or alleged) during the planning and performance of our internal audit procedures, we will immediately inform the Authority's Audit Committee.

The Authority's Audit Committee, Board of Commissioners, and management are responsible for informing us of its views about the risk of fraud within the Authority and its knowledge of any fraud or illegal acts (whether suspected or alleged) affecting the Authority. The Authority will provide Tronconi Segarra & Associates LLP with any communications received from employees, analysts, regulators, or others containing any allegations of fraud or suspected fraud within the Authority.

As previously discussed, Authority management has informed us of the past fraud involving the Facilities Inspection and Maintenance Program function and the resulting New York State Office of Inspector General's investigation of the Authority. We have considered the effects of this matter in our Preliminary Risk Assessment, and in our Testing Rotation Plan as reflected in the previous pages of this internal audit plan.

New York State Bridge Authority
Internal Audit Plan (continued)

Other (continued)

In Closing

We sincerely appreciate the opportunity to serve you and thank you and the various Authority personnel with whom we will work in advance for your cooperation. Should you have any questions, comments, or concerns, please do not hesitate to contact us.