

ERIE COUNTY MEDICAL CENTER CORPORATION
FEBRUARY 27, 2018 MEETING MINUTES
OF THE BOARD OF DIRECTORS REGULAR MEETING

Present: Bishop Michael Badger, Ronald Bennett, Ronald A. Chapin, Jonathan Dandes, Darby Fishkin, Kathleen Grimm, MD, Sharon Hanson, Michael Hoffert, Thomas Malecki, CPA, Christopher O'Brien, Jennifer Persico, Eugino Russi, Michael Seaman, William Pauly, Scott Bylewski, Thomas J. Quatroche

Excused: Frank Mesiah

Also

Present: Donna Brown, Anthony Colucci, III, Esq., Peter Cutler, Andrew Davis, Leslie Feidt, Stephen Gary, Susan Gonzalez, Melissa Gagne, Charlene Ludlow, Brian Murray, MD, James Turner, Karen Ziemianski

I. Call to Order: Jonathan Dandes called the meeting to order at 4:30 p.m.

II. Minutes: Moved by Michael Seaman and seconded by Thomas Malecki, the Board of Directors unanimously approved the minutes of the January 30, 2018 meeting.

Mr. Dandes welcomed new board members and encouraged all members to participate at ECMC events as well as serve on board committees.

III. Action Items

A) Resolution Designating the Naming of Certain Spaces and Structures
Moved by Thomas Malecki and seconded by Ronald Chapin
Motion approved unanimously

B) Resolution Approving Items for Annual Review
Moved by Michael Hoffert and seconded by Bishop Michael Badger
Motion approved unanimously

C) Approval of February 1, 2018 Medical/Dental Staff Appointments/Re-Appointments
Moved by Michael Seaman and seconded by Bishop Michael Badger
Motion approved unanimously

IV. **Reports of Corporation's Management**

Chief Executive Officer

Quality:

- CMS transplant survey was recently completed; ECMCC program did very well and will be re-certified.
- OASAS inpatient survey was successful.
- 2018 priority focus grid and goals established which will track quality scores.
- EOC Management plan goals established.

Patient Experience

- Monthly Patient Experience meetings well attended – 150 participants at the last meeting.
- iRound Tools (an app used on smart devices) will assist in monitoring rounding and track trends.
- Press Ganey site visit – contracted through CMS, to assist with patient experience.
- Behavioral Health – held first CPEP family/patient council on patient experience.
- Valentine's Day – Executive team delivered flowers to patients

Culture

- ECMC family skate night held.
- National wear red day for heart healthy month.
- Bright ideas campaign launched (solicit employee improvement ideas).
- ECMC mammography screening day
- Nurse recognition held first meat raffle.
- Stroke boot camp held for 60 ECC senior nursing students
- 23 nurses applied for and were accepted to the January Clinical Ladder
- ECMC Centennial Celebration, Sunday, March 18.
- Pre-Gala Party, Thursday, March 22.
- Springfest, Saturday, May 12.

Operations

- Implemented a pilot program to encourage weekend discharges.
- Extended trauma ortho add-ons to 5pm.
- Dr. Maureen Sullivan will lead group providing dental services at BGH.
- Increased discharges for month of January.
- Average length of stay up slightly due to a higher case mix index.
- Increased inpatient and outpatient surgeries.

Chief Financial Officer

A summary of the financial results through January 30, 2018 and a Quarterly Financial Statement and projected statement of Yearly Cash Flows were briefly reviewed and the full set of these materials are received and filed.

V. Reports from Standing Committees:

Buildings and Grounds Committee: Ronald Bennett

Mr. Bennett provided an overview of projects underway:

- Relocation of prisoner hold completed
- Concrete poured for temporary ramp to the Emergency Department.
- CPEP renovations underway which will increase the abilities of CPEP. The project is expected to cost \$1.5 million.
- Main Lobby bid process nearing completion of first phase; construction expected to begin spring 2018.
- Mr. Bennett encouraged board members to become involved on the committee.

Quality Improvement and Patient Safety: Brian Murray, MD

Infection Prevention- Ms. Charlene Ludlow presented infection data and quality improvement goals related to infection prevention. Surveillance of infection data will continue to identify opportunities for improved care.

Environment of Care Annual Report – Ms. Ludlow provided an overview of Patient Safety Goals that were met in 2017 and goals for 2018 which consisted of Falls Prevention Program, Life Safety, Security Management, Utility Management, Medical Equipment, Emergency Preparedness, and Hazardous Waste.

Risk Management: Ms. Amy Flaherty, Esq. presented an overview of the risk management program at ECMC, including Corporate Insurance, Behavioral Health Legal Status, Quantros Reporting and the legal process related to risk management.

All other reports except that of the Performance Improvement Committee are received and filed.

VI. Recess to Executive Session – Matters Made Confidential by Law

Moved by Michael Seaman and seconded by Bishop Michael Badger to enter into Executive Session at 5:30 p.m. to consider matters made confidential by law, including certain litigation matters, strategic investments, and business plans.

Motion approved unanimously.

VII. **Reconvene in Open Session**

Reconvene in Open Session at 6:05 p.m. No action was taken by the Board of Directors in Executive Session

Motion approved unanimously

VIII. **Adjournment:** Moved by Bishop Michael Badger and seconded by Michael Seaman to adjourn the Board of Directors meeting at 6:05 p.m.



Michael A. Badger
Corporation Secretary

**Resolution Designating the
Naming of Certain Spaces and Structures**

Approved February 27, 2018

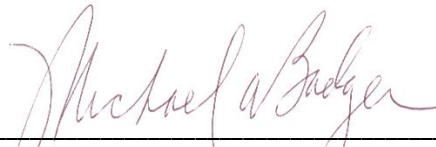
WHEREAS, by Resolution approved by the Corporation's Board of Directors on October 31, 2017, the Corporation set forth its policy regarding the naming of spaces and structures owned or otherwise controlled by the Corporation; and

WHEREAS, consistent with the Corporation's policy, the ECMC Foundation, Inc. has engaged in negotiation with several donors to the Foundation regarding acknowledgement of donations that includes, among other things, the opportunity to name a Corporation space or structure in the honor or memory of a person or entity; and

WHEREAS, the Foundation has provided a listing of the information called for by the Corporation policy and is seeking the approval of the Board of Directors of the Corporation regarding the naming of spaces and structures as detailed on the attachment to this resolution;

NOW, THEREFORE, the Board of Directors resolves as follows:

1. The recommendations submitted by the Foundation as detailed on the attachment to this resolution are hereby approved.
2. The Foundation is delegated the authority to implement the naming substantially in accordance with the information contained in the attachment and in accordance with the Corporation's October 31, 2017 policy as approved by the Board of Directors.
3. This resolution shall take effect immediately.



Michael A Badger
Corporation Secretary

Trauma Center/ED
Donor Recognition

	A	B	C	D	E	F
1	Board Approval Date	Donor Name	Naming Opportunity	Location	Recognition Name	\$ Commitment
2		Seneca Diabetes Foundation	Dialysis Center & Medical Office Building	Ambulatory Building	Barry & Deanna Snyder	\$
3		Mrs. Kathleen Seibel	Trauma On-Call Room	Administration	In Memory of Roger W. Seibel, MD - Lovingly, Kathleen H. Seibel, RN	\$
4		Mr. Andrew L. Davis	Treatment Room	ESI-1,2	Andrew & Nicole Davis	\$
5		The Martin Group, LLC	Treatment Room	ESI-1,2	The Martin Group	\$
6		Nancy Ware, EduKids, Inc.	Consult/Quiet Room	ESI-1,2	EduKids Early Childhood Centers	\$
7		Dr. Joseph A. Caruana	Treatment Room	ESI-3	Nancy Caruana Dolce	\$
8		Mrs. Elizabeth L. Demakos	Treatment Room	ESI-3	Peter & Beth Demakos	\$
9		Mrs. Marcy E. Newman	Treatment Room	ESI-3	Michael A. & Kylie N. Newman	\$
10		Dr. Arthur E. Orlick	Treatment Room	ESI-3	Arthur & Cherly Orlick	\$
11		Mr. James T. Turner	Treatment Room	Fastrack	James & Nancy Turner	\$
12		Dr. Mark J. Anders	Scrub Sinks (2)	Trauma	Mark & Diane Anders	\$

A Resolution of the Board of Directors Approving Items for Annual Review

Approved February 27, 2018

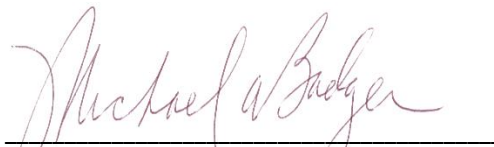
WHEREAS, pursuant to New York Public Authorities Law, Erie County Medical Center Corporation (the "Corporation") is required to annually review and approve its procurement guidelines, property disposal guidelines, investment policy, and mission statement (the "Items for Annual Review"); and

WHEREAS, the Board has been presented the Items for Annual Review and has had an opportunity to review and discuss such items; and

WHEREAS, the Board wishes to approve the Items for Annual Review in the form presented.

NOW, THEREFORE, the Board of Directors resolves as follows:

1. The Board of Directors of the Corporation approve the Items for Annual Review in the form presented.
2. The Corporation is authorized to do all things necessary and appropriate to effectuate this resolution.
3. This resolution shall take effect immediately.

A handwritten signature in dark ink, appearing to read "Michael A. Badger", is written over a horizontal line.

Michael Badger
Corporation Secretary



Mission

To provide every patient the highest quality of care delivered with compassion.

Vision

ECMC WILL BE A LEADER IN AND RECOGNIZED FOR:

- High quality family centered care resulting in exceptional patient experiences.
- Superior clinical outcomes.
- The hospital of choice for physicians, nurses, and staff.
- Strong collaboration with community partners to improve access to healthcare and the quality of life and vitality of the region.
- Academic affiliations that provide the best education for physicians, dentists, nurses, and other clinical staff.

The difference between
healthcare and true care™





Core Values

ACCESS

All patients get equal care regardless of their ability to pay or source of payment. We address the healthcare needs of each patient that we can appropriately serve, without bias or pre-judgment.

EXCELLENCE

Excellence is a standard that will never be lowered; there is an expectation of excellence in all areas.

DIVERSITY

We recognize the importance and value of diversity and the enrichment that diversity can bring to ECMCC.

FULFILLING POTENTIAL

We respect the value and potential of each individual as offering a significant contribution to the good of the whole organization. Personal growth and development is important for organizational success.

DIGNITY

Each individual, no matter his or her limitations, background or situation, has intrinsic dignity and unique capabilities.

PRIVACY

We honor each person's right to privacy and confidentiality.

FAIRNESS and INTEGRITY

Equity and fairness are guidelines for all decision-making. We demand personal and institutional integrity.

COMMUNITY

In accomplishing our mission we remain mindful of the public's trust and are always responsive to the immediate surrounding community and our natural environment. This commitment represents both our organization and us as individuals. A successful future for ECMCC depends on a vibrant community and a healthy environment.

COLLABORATION

Collaboration with other organizations is beneficial within the context of our mission and is fundamental to achieving our goals.

COMPASSION

All involved with ECMCC's service delivery demonstrate caring, compassion, and understanding for patients, employees, volunteers, and families.

STEWARDSHIP

We can only be successful in carrying out our mission through solid financial performance and by assuring that resources provided to us are used effectively, in the way they were intended, and for the benefit of our patients and community.

The difference between
healthcare and true care™



Erie County Medical Center Corporation

Statement of Investment Policy and Guidelines

Drafted: December 12, 2006
Reviewed Annually

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I. INTRODUCTION

In accordance with the Public Authorities Law, art.9 §§2800 to 2985; State Finance Law §8 (14), Section 201: An investment program involving public funds must include four basic ingredients – legality, safety, liquidity and reasonable return.

It is the responsibility of each public authority to determine and evaluate its own risk in all its investment transactions with due regard to prudent business principles and practices and diligence under the circumstances then prevailing that a knowledgeable and prudent investor would act. The financial resources of the public authority should be properly managed to achieve investment income consistent with sound investment practice.

Guideline requirements are intended to represent only minimum standards.

This document defines the investment policies, objectives, and guidelines applicable to the Erie County Medical Center Corporation's ("Corporation") Investment Funds. It was developed by Arthur J. Gallagher & Co. ("Gallagher") in conjunction with the Corporation's Investment Committee ("Committee").

The purpose of this document is threefold. First, it will constitute the investment plan for these assets. Second, it will serve as a communication tool between the Committee and its investment manager(s). Third, these guidelines will provide a framework to measure the ongoing progress of the recommended structure, and as such should be reviewed annually. Within the constraints imposed by this document, the manager will have total discretion to manage the fund's assets according to its professional judgment and fiduciary obligations. The managers' strategies shall be communicated to the Committee at regularly scheduled review meetings.

II. GENERAL OBJECTIVES

- A. Protection of principal.
- B. Maintain sufficient liquidity to ensure cash availability for operating cash flow requirements.
- C. Maximize the total rate of return within a reasonable risk profile. Monies that are not required for immediate use or disbursement are invested with an average investment time horizon of three years or greater.

III. DELEGATION OF AUTHORITY

The Board of Directors is charged by law with the responsibility for the management of the assets of the Corporation. The Board of Directors shall discharge its duties solely in the interest of the Corporation, with the care, skill, prudence and diligence under the circumstances then prevailing. In this regard, the Board of Directors, the Investment Committee, and Corporation management shall invest and manage Corporation funds as a prudent investor would, by considering the purposes, terms and other circumstances of the funds in the Corporation's care and by pursuing an overall investment strategy reasonably suited to the Corporation, and they shall require the same standard of prudence from investment managers and consultants they engage to assist them.

Within the broad framework of policy set by the Board of Directors, the Investment Committee shall have direct responsibility for the oversight and management of the invested assets of the Corporation and for the establishment of investment policies and procedures.

- A. Establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Corporation's assets.
- B. Determining the Corporation's risk tolerance and investment horizon and communicating these to the appropriate parties.
- C. Designate an appropriate Corporation individual as "Investment Officer" whose responsibility it will be to proscribe and maintain a control structure to protect investment assets from loss, theft, and misuse.
- D. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to policy guidelines and monitoring investment objective progress.
- E. Developing and enacting proper control procedures: For example, replacing Investment Manager(s) due to fundamental change in investment management process, or failure to comply with established guidelines.
- F. Advising and communicating with the Board of Directors as necessary with respect to investment matters.
- G. Recommending to the Board of Directors proposed changes and revisions to this Investment Policy.
- H. Reviewing any independent audits of the investment program.
- I. Prudently and diligently selecting qualified investment professionals, including Investment Management Consultants, Investment Managers, and Custodians, to which the Committee is authorized to delegate the following responsibilities:
 - 1. **Investment Management Consultant.** The Investment Management Consultant may assist the Investment Committee in: establishing investment policy, objectives, and guidelines, including investment time horizon risk tolerance and total return objectives; selecting one or more investment managers; reviewing and evaluating such manager's performance over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
 - 2. **Investment Manager.** The Corporation enters into agreements with selected investment managers who provide day-to-day investment management services to the Corporation. Each investment manager will have discretion to purchase, sell or hold the specific securities that will be used to meet the Corporation's investment objectives. Such appointments do not relieve the Committee from the responsibilities of overseeing the investment program.
 - 3. **Custodian.** The Custodian will provide full custodian services. It will maintain possession of securities owned by the Corporation, collect dividend and interest payments, and redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of assets owned, purchased, or sold, as well as movement of assets into and out of the Corporation accounts. In addition, the custodian will provide monthly documentation of portfolio activity and portfolio value.
 - 4. Additional specialists such as attorneys, auditors, and others may be employed by the Board of Directors, acting on its own or through its Investment Committee, to assist in meeting its responsibilities and obligations to administer Corporation assets prudently.

IV. RESPONSIBILITIES OF THE INVESTMENT MANAGERS

Adherence to Investment guidelines

The investments are to be managed in accordance with the guidelines expressed herein, or expressed by separate written instructions, when deviation is deemed prudent and desirable by the Investment Committee. Written instructions amending this document must be authorized by the Investment Committee of the Board (Committee) and should be communicated through the Chief Investment Officer.

Discretionary Authority

The investment managers are expected to exercise complete investment discretion within the boundaries of the restrictions outlined in this Statement of Investment Policy and Guidelines.

Such discretion includes decisions to buy, hold, or sell equity or fixed-income securities (including cash equivalents) in amounts and proportions reflective of each manager's current investment strategy. However, the Committee is aware that its decision to invest in a commingled account and/or mutual fund may relieve the manager from strict adherence to all elements of the policy.

Realized Gains/Losses

In addition to investment income, fiscal year net realized gains/losses are an important element of the Corporation's budgeting process. Specifically, the Corporation requires that its investment managers communicate, in advance, any intentions to realize fiscal year losses in excess of \$250,000.

Communication

The Committee encourages, and the investment managers are responsible for, frequent and open communication with the Committee on all significant matters pertaining to the investment of the Corporation's assets. These communications would generally be addressed to the Chief Investment Officer. In this manner, the managers will advise the Committee of any major changes in investment outlook, investment strategy, asset allocation, portfolio structure, market value of the investments, and other substantive matters affecting the assets under their management. The managers will advise the Committee promptly of any significant changes in the ownership, organization structure, financial condition, or senior personnel of the investment management organization. Audited financial statements of the management organizations are to be furnished annually to the Investment Management Consultant.

All documents, exhibits, and other written material, etc., which will be used during review meetings between the Committee and the investment managers, should be submitted to the Committee or to any investment consultant acting on the Committee's behalf, at least one week in advance of these meetings. It is expected that these meetings will take place periodically at the Committee's direction.

The Committee recognizes that the Statement of Investment Policy and Guidelines requires periodic re-examination and perhaps revision if it is to continue to serve as a working document to encourage effective investment management. Whenever an investment manager believes that the Statement should be altered, it is the responsibility of the manager to initiate written communication with the Committee through the Chief Investment Officer.

Reporting

The Committee expects the managers to forward, on a timely basis, quarterly reports containing portfolio activity, valuations at market, and quarterly strategy updates.

Compliance with Prudency and Diversification Measures

As a fiduciary, each investment manager is expected to diversify the portfolio to minimize the risk of large losses. The manager is expected to invest the assets with care, skill, prudence, and diligence under the circumstances then prevailing. In this regard, the manager shall invest and manage Corporation funds as a prudent investor would, by considering the purposes, terms and other circumstances of the funds in the Corporation's care and by pursuing an overall investment strategy reasonably suited to the Corporation. Furthermore, the investment manager is expected to acknowledge its intention to comply with the Statement of Investment Policy and Guidelines as it currently exists or as modified by the Committee in the future.

V. RESPONSIBILITIES OF THE TRUSTEE/CUSTODIAN

The Trustee/Custodian is responsible for the safekeeping of Corporation assets, assuring protection from loss, theft or misuse, and timely/reliable auditing of earnings and transactions.

Safekeeping Accounts

Securities purchased should be delivered against payment and held in a custodian safekeeping account in investment accounts segregated from the custodian's own assets. Exceptions shall be: (1) repurchase agreements made with approved banks or dealers (see page 16) for one week or less, and (2) Eurodollar time deposits, for which no instruments are created.

The Custodian annually must furnish to the Corporation's Investment Officer a copy of its "SSAE 16 Report" from its independent auditors.

VI. RESPONSIBILITY OF THE INVESTMENT MANAGEMENT CONSULTANT

The Investment Management Consultant's role is to provide investment advice to the Investment Committee concerning the investment management of Corporation assets. Such advice will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Consultant include:

1. Assisting in the development and periodic review of investment policy and making recommendations to the Committee.
2. Conducting investment manager searches where appropriate and making recommendations as required.
3. Monitoring the performance of the Investment Manager(s) and providing the Committee periodic reports so that it may determine the Corporation's progress toward its investment objectives and adherence to its investment program compliance.
4. Monitoring the total fees, commissions, and other charges paid in rendering investment services to the Corporation, at least annually.
5. Communicating matters of policy, manager research, and manager performance to the Committee and making recommendations where appropriate.

6. Reviewing Corporation investment history, historical capital markets performance and the contents of this investment policy statement with any newly appointed members of the Committee.
7. Providing “due diligence” on investment managers such as any qualitative change to investment management organizations: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
8. Providing current Statement of Investment Policy and Guidelines to existing, replacement and additional Investment Managers when changes occur.
9. Maintaining timely and appropriate communications with the Chief Financial Officer, Chief Investment Officer and Chairman of the Committee relative to matters of substance regarding:
 - A. Changes in investment forecast, investment strategies, or changes in portfolio structure;
 - B. Changes in ownership, organization, financial conditions, and key personnel within the investment management organization.

VII. RECOMMENDED POLICY

Historical performance results and future expectations suggest that common stocks will provide higher total investment returns than fixed-income securities over a long-term investment horizon. However, one can expect an increase in portfolio volatility as the allocation percentage to equities is increased.

Each investment manager is instructed to normally remain 95-100% invested in its respective asset classes for which it is retained, with a target of 100%. When an investment manager has received a cash contribution, or has taken significant profits, up to 10% of the account may be temporarily (up to 90 days) invested in cash. Deviations from the policy must have prior approval from the Committee or its named representative. For fixed-income managers, the cash allocation may exceed 5% if strategic in nature. This restriction does not apply to the cash equivalent manager.

VIII. EXCESS LIQUIDITY FUND

A. Investment Goals

The investment goals of the Fund are to:

- provide for the spending needs of Corporation in excess of operations;
- consistently invest assets in a prudent, high-quality, diversified manner;
- achieve the optimal return possible within the specified risk parameters;
- adhere to the established guidelines.

The Excess Liquidity Fund provides for short-to-intermediate-term spending needs of the Corporation. The Fund's cash flow is generally positive but it needs to maintain some degree of liquidity to meet unexpected needs. The Fund can assume a low-to-moderate risk profile.

B. Asset Allocation

Historical performance results and future expectations suggest that common stocks will provide higher total investment returns than fixed-income securities over a long-term investment horizon. However, one can expect an increase in portfolio volatility as the stock percentage is increased, particularly over the short term.

It is believed that the most significant decision to affect the overall volatility of results is that which controls the split among various asset classes, particularly the equity versus fixed-income ratio.

Consequently, the Committee has decided to control this ratio by setting up long-term asset allocation targets. The assets are viewed as having a short-to-intermediate time horizon with moderate liquidity needs. The Committee's goal is to maximize returns over the long term and has, therefore, taken a low-to-moderate investment posture which holds a modicum of equity holdings.

Based on the investment goals and risk tolerances stated in this document, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	30%	15 – 35%
Fixed Income	65%	55 – 75%
Short-Term Investments	5%	0 – 10%

C. Return Requirements - Trailing Three-Year Time Horizon

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the Excess Liquidity Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Custom Universe	Top 50%

- * An index constructed from the S&P 500, ML 1-3 Year Gov't, ML 1-3 Year G/C and 91-day T-Bill Indices in the same allocation as the target asset mix.

IX. NYS RETIREMENT RESERVE FUND

A. Investment Goals

The investment goals of the Fund are to:

- provide for the funding of the NYS retirement system obligations when excess cash allows for short term investing;
- assure that safety of principal is paramount;
- consistently invest assets in a prudent, diversified, risk-averse manner;
- achieve the acceptable return possible within the specified risk parameters;
- adhere to the established guidelines.

The NYS Retirement Reserve Fund provides for short-term NYS pension obligations of the Corporation. The Fund's cash flow is generally positive but it needs to maintain a high degree of liquidity to meet annual obligation. The Fund can assume a low risk profile.

B. Asset Allocation

Given the nature of the Funds' goals, there can be no volatility of results. Consequently, the Committee has decided to control volatility by setting up long-term asset allocation targets. The assets are viewed as having a short time horizon with high liquidity needs. The Committee's goal is to minimize risk which favors cash equivalent investments.

Based on the investment goals and risk tolerances stated in this document, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	0%	0%
Fixed Income	30%	20 – 40%
Short-Term Investments	70%	60 – 100%

C. Return Requirements - Trailing Three-Year Time Horizon

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the NYS Retirement Reserve Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Custom Universe	Top 50%

* An index constructed from the S&P 500, ML 1-3 Year Gov't, ML 1-3 Year G/C and 91-day T-Bill Indices in the same allocation as the target asset mix.

X. CAPITAL RESERVE FUND

A. Investment Goals

The investment goals of the Fund are to:

- provide for the capital spending needs of the Corporation in excess of operations;
- consistently invest assets in a prudent, high-quality, diversified, manner;
- achieve the optimal return possible within the specified risk parameters;
- adhere to the established guidelines.

The Capital Reserve Fund provides for intermediate- to long-term spending needs of the Corporation. The Fund's cash flow is generally positive, but it needs to maintain some degree of liquidity to meet unexpected needs. The Fund can assume a low-to-moderate risk profile.

It is the intention of the Committee that appropriate external investment funds/managers be employed to invest the assets. The external investment managers will be responsible for the investment and reinvestment of principal and income assets and are expected to exercise reasonable investment discretion within the bounds of the guidelines delineated by the Committee.

B. Asset Allocation

Historical performance results and future expectations suggest that common stocks will provide higher total investment returns than fixed-income securities over a long-term investment horizon. However, one can expect an increase in portfolio volatility as the stock percentage is increased, particularly over the short term.

It is believed that the most significant decision to affect the overall volatility of results is that which controls the split among various asset classes, particularly the equity versus fixed-income ratio. Consequently, the Committee has decided to control this ratio by setting up long-term asset allocation targets. The assets are viewed as having a long-term time horizon with moderate liquidity needs. The Committee's goal is to maximize returns over the long term and has, therefore, taken a conservative investment posture that includes equity holdings, but favors fixed-income holdings.

Based on the investment goals and risk tolerances stated in this document, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	30%	15 – 35%
Fixed Income	65%	55 – 75%
Short-Term Investments	5%	0 – 10%

C. Return Requirements - Trailing Three-Year Time Horizon

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the Funded Depreciation Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Custom Universe	Top 50%

* An index constructed from the S&P 500, ML 1-3 Year G/C and 91-day T-Bill Indices in the same allocation as the target asset mix.

XI. RETIREE HEALTH RESERVE FUND

A. Investment Goals

The investment goals of the Fund are to:

- provide for the funding and payment of retiree health obligations;
- consistently invest assets in a prudent, high-quality, diversified, manner;
- achieve the optimal return possible within the specified risk parameters;
- adhere to the established guidelines.

The Retiree Health Reserve Fund provides for intermediate- to long-term spending needs consistent with retiree health expenses. The Fund's cash flow is generally positive, but it needs to maintain some degree of liquidity to meet unexpected needs. The Fund can assume a low-to-moderate risk profile.

It is the intention of the Committee that appropriate external investment funds/managers be employed to invest the assets. The external investment managers will be responsible for the investment and reinvestment of principal and income assets and are expected to exercise reasonable investment discretion within the bounds of the guidelines delineated by the Committee.

B. Asset Allocation

Historical performance results and future expectations suggest that common stocks will provide higher total investment returns than fixed-income securities over a long-term investment horizon. However, one can expect an increase in portfolio volatility as the stock percentage is increased, particularly over the short term.

It is believed that the most significant decision to affect the overall volatility of results is that which controls the split among various asset classes, particularly the equity versus fixed-income ratio. Consequently, the Committee has decided to control this ratio by setting up long-term asset allocation targets. The assets are viewed as having a long-term time horizon with moderate liquidity needs. The Committee's goal is to maximize returns over the long term and has, therefore, taken a conservative investment posture that includes equity holdings, but favors fixed-income holdings.

Based on the investment goals and risk tolerances stated in this document, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	30%	15 – 35%
Fixed Income	65%	55 – 75%
Short-Term Investments	5%	0 – 10%

C. **Return Requirements - Trailing Three-Year Time Horizon**

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the Retiree Health Reserve Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Custom Universe	Top 50%

* An index constructed from the S&P 500, ML 1-3 Year G/C and 91-day T-Bill Indices in the same allocation as the target asset mix.

XII. **WC/PROFESSIONAL LIABILITY RESERVE**

A. **Investment Goals**

The investment goals of the Fund are to:

- provide for the payment of workers' compensation and professional liability claims;
- consistently invest assets in a prudent, high-quality, diversified, manner;
- achieve the optimal return possible within the specified risk parameters;
- adhere to the established guidelines.

The WC/Professional Liability Reserve Fund provides for intermediate- to long-term spending needs consistent with actuarial determined estimates of workers' compensation and medical malpractice claims. The Fund's cash flow is generally positive, but it needs to maintain some degree of liquidity to meet unexpected needs. The Fund can assume a low-to-moderate risk profile.

It is the intention of the Committee that appropriate external investment funds/managers be employed to invest the assets. The external investment managers will be responsible for the investment and reinvestment of principal and income assets and are expected to exercise reasonable investment discretion within the bounds of the guidelines delineated by the Committee.

B. **Asset Allocation**

Historical performance results and future expectations suggest that common stocks will provide higher total investment returns than fixed-income securities over a long-term investment horizon. However, one can expect an increase in portfolio volatility as the stock percentage is increased, particularly over the short term.

It is believed that the most significant decision to affect the overall volatility of results is that which controls the split among various asset classes, particularly the equity versus fixed-income ratio. Consequently, the Committee has decided to control this ratio by setting up long-term asset allocation targets. The assets are viewed as having a long-term time horizon with moderate liquidity needs. The Committee's goal is to maximize returns over the long term and has, therefore, taken a conservative investment posture that includes equity holdings, but favors fixed-income holdings.

Based on the investment goals and risk tolerances stated in this document, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	30%	15 – 35%
Fixed Income	65%	55 – 75%
Short-Term Investments	5%	0 – 10%

C. **Return Requirements - Trailing Three-Year Time Horizon**

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the Retiree Health Reserve Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Custom Universe	Top 50%

* An index constructed from the S&P 500, ML 1-3 Year G/C and 91-day T-Bill Indices in the same allocation as the target asset mix.

XIII. GENERAL DEPOSITORY & GENERAL OPERATING RESERVE

A. Investment Goals

The investment goals of the Fund are to:

- provide the necessary funds and liquidity for operating expenses of the Corporation;
- assure that safety of principal is paramount;
- consistently invest assets in a prudent, diversified, risk-averse manner;
- achieve the acceptable return possible within the specified risk parameters;
- transfer excess liquidity assets as determined by management to the General Operating Reserve Fund;
- adhere to the established guidelines.

It is the intention of the Committee that appropriate external investment funds/managers be employed to invest the liquidity assets. The external investment managers will be responsible for the investment and reinvestment of principal and income assets and are expected to exercise reasonable investment discretion within the bounds of the guidelines delineated by the Committee. The Fund will assume a very conservative risk profile.

B. Asset Allocation

Given the nature of the Funds' goals, there can be no volatility of results. Consequently, the Committee has decided to control volatility by setting up long-term asset allocation targets. The assets are viewed as having a short time horizon with high liquidity needs. The Committee's goal is to minimize risk which favors cash equivalent investments.

Based on the investment goals and risk tolerances stated in this document, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	0%	N/A
Fixed Income	0%	N/A
Short-Term Investments	100%	N/A

C. **Return Requirements - Trailing Three-Year Time Horizon**

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the General Depository Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Ultra-Short	Top 60%

* An index constructed from the 30-day T-Bill Index.

XIV. DEBT SERVICE and DEBT SERVICE RESERVE FUNDS – 2004 SERIES and 2011 SERIES

A. **Investment Goals**

The investment goals of the Fund are to:

- provide for the funding for debt service coverage;
- consistently invest assets in a prudent, high-quality, diversified manner;
- achieve the optimal return possible within the specified risk parameters;
- adhere to the established guidelines.

The Debt Service Reserve Fund is used to satisfy necessary interest payments. The required funds must be available for disbursement on the May 1 and November 1 payment dates for the 2004 Series Funds; and on the First of Each Month for the 2011 Series Funds. Any shortfall would need to come from operations. The Fund can assume a low-to-moderate risk profile. The Debt Service Reserve Fund is held in contingency by the Trustee to offset principal and/or interest payments, if needed.

B. **Asset Allocation**

Historical performance results and future expectations suggest that common stocks will provide higher total investment returns than fixed-income securities over a long-term investment horizon. However, one can expect an increase in portfolio volatility as the stock percentage is increased, particularly over the short term.

It is believed that the most significant decision to affect the overall volatility of results is that which controls the split among various asset classes, particularly the equity versus fixed-income ratio.

Consequently, the Committee has decided to control this ratio by setting up long-term asset allocation targets. The assets are viewed as having a short-to-intermediate time horizon with moderate liquidity needs. The Committee's goal is to maximize returns over the long term and has, therefore, taken a low-to-moderate investment posture which holds a modicum of equity holdings.

Based on the investment goals and risk tolerances stated in this document, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	20%	10 – 20%
Fixed Income	75%	70 – 80%
Short-Term Investments	5%	0 – 10%

C. Return Requirements - Trailing Three-Year Time Horizon

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the Debt Service Reserve Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Custom Universe	Top 50%

* An index constructed from the S&P 500, ML 1-3 Year Gov't, ML 1-3 Year G/C and 91-day T-Bill Indices in the same allocation as the target asset mix.

XV. GNMA BOND RESERVE FUND

A. Investment Goals

The investment goals of the Fund are to:

- to be held until maturity and to use the earnings for funding of The Grider Initiative, Inc.;
- adhere to the established guidelines.

The GNMA Bond Reserve Fund is used to hold bonds used for construction of the Gates Vascular Institute. The earnings from this fund will be paid to the The Grider Initiative, Inc. on an annual basis.

B. Asset Allocation

The purpose of this fund is to hold referenced fixed income fund until maturity.

Based on the above, the following asset mix targets and ranges are considered appropriate:

<u>Portfolio Section</u>	<u>Target</u>	<u>Range</u>
Equity	0%	0%
Fixed Income	100%	0 - 100%
Short-Term Investments	0%	0%

C. Return Requirements - Trailing Three-Year Time Horizon

Investment objectives are intended to provide quantifiable benchmarks to measure and evaluate portfolio return and risk. The following objectives apply to the Debt Service Reserve Fund. Performance relative to the investment objectives will be measured over a three-year time period. All returns are measured net of investment management fees.

- Relative to appropriate indexes:

<u>Section</u>	<u>Index</u>	<u>Expectation</u>
Total Fund	Target Index*	Exceed

- Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Expectation</u>
Total Fund	Core Fixed Income	Top 50%

* An index constructed from the S&P 500, ML 1-3 Year Gov't, ML 1-3 Year G/C and 91-day T-Bill Indices in the same allocation as the target asset mix.

XVI. ALLOWABLE INVESTMENTS

A. Fixed Income and Cash Equivalents

1. Instruments and Credit Quality

- a. Instruments issued and fully guaranteed by the U.S. Government or any of its agencies and instrumentalities.
- b. Instruments issued by domestic corporations, including corporate notes and floating rate notes, must be rated “Baa”/“BBB” or better at time of purchase by Moody's Investor Service or Standard and Poor's. Asset-backed securities and collateralized mortgage obligations must be rated “Aaa”/“AAA” by the rating agencies. If the domestic corporation has a senior debt rating of “Baa” or better, the issuer's commercial paper rating and/or CD rating must be one of “A1”, “P1”, or “F1”. If the issuer does not have a senior debt rating, the issuer's commercial paper rating and/or CD rating must be any two of “A1”, “P1”, “F1” or have a letter of credit drawn on the issuer, meeting the above guidelines.
- c. Obligations of domestic banks, including banker's acceptances, certificates of deposit, time deposits, notes, and other debt instruments.
- d. Instruments of countries or foreign corporations rated at least “Aa”/“AA” by appropriate rating organization. Instruments issued by the U.S. agency of a foreign corporation are also permitted, subject to the same quality constraints. Instruments referred to in this section cannot comprise more than 20% of the total combined portfolio, at market.
- e. The following types of Euro issues: banker's acceptances, time deposits, bonds, and floating rate notes of any issue rated “Aa”/“AA” or better by Standard and Poor's or Moody's.
- f. Yankee securities are subject to the quality constraints outlined in section “d” above.
- g. Securities resold under SEC Rule 144A subject to the quality constraints outlined in section “b” above.
- h. Repurchase Agreements are permitted with such government dealers who have and maintain a minimum equity value of \$50 million, as the investment manager shall, in its discretion, determine from time to time. Repurchase Agreements shall be subject to: 102% initial market value collateralization of the loaned amount, collateral market value is priced daily and always maintained above 100% of the loaned amount, and physical custody must be taken by the custodial bank in the form of direct obligations of the United States Government.
- i. Total portfolio--this guideline is intended to give the investment manager sufficient latitude to periodically take advantage of bond-quality yield spreads. The average cost-weighted quality shall be no less than 3.0 based on the following scale:

U.S. Government and Agencies	5.0
Aaa Bonds	4.0
Aa Bonds	3.0
A Bonds	2.0
Baa Bonds	1.0

2. Maturity

a. Cash Equivalent Manager

The weighted average maturity of the fund is at the discretion of the investment manager, however, no instrument may have a maturity greater than eighteen months. Issues with maturities greater than six months may not exceed 25% of the value of the portfolio:

- (1) Floating rate issues may have a longer maturity if the interest adjustment is based on an instrument with an effective maturity of less than six months.
- (2) A puttable bond may be utilized if the put can be exercised within six months.
- (3) An asset-backed security, collateralized-mortgage obligation, or similar instrument, is permitted if the average life is projected to be less than six months. Issues of this type should be limited to an amount consistent with normal liquidity requirements, but should not exceed 25% of the value of the portfolio.

b. Short-Term Fixed Income Manager

The portfolio's maximum duration should be less than 120% of the Merrill 1-3 Treasury Index, and no instrument with a maturity greater than 5 years is permissible, except that:

- (1) Floating rate issues may have a longer maturity if the interest adjustment is based on an instrument with a maturity of less than 5 years.
- (2) A puttable bond may be utilized if the put can be exercised within 5 years.
- (3) An asset-backed security, collateralized-mortgage obligation, or similar instrument, is permitted if the average life is projected to be less than three years at the date of purchase and subsequently less than five years. Issues of this type should be limited to an amount consistent with normal liquidity requirements, but should not exceed 15% of the value of the portfolio.

c. Long-Term Fixed-Income Manager

The portfolio's maximum duration should be less than 135% of the ML (7-10 yrs.) Gov't./Corp. Index.

3. Diversification

- a. The manager will maintain prudent diversification across instruments, market sectors, industries, and specific issuers.
- b. Except for issues guaranteed directly or indirectly by the U.S. Government, the combined holdings of securities from one issuer shall not constitute more than 5% of the fund. All letters of credit shall be part of the invested amount of the guarantor for purposes of the 5% rule.

B. Equities

1. Instruments and Credit Quality

- a. The managers will be invested in high-quality common stocks. Convertible bonds, convertible preferred stocks, preferred stocks and non-voting stocks are permitted if the risk/return characteristics are favorable versus the underlying common equity. American Depositary Receipts are permitted. Specific constraints include the avoidance of restricted issues, which have limited marketability, excluding SEC Rule 144A securities.
- b. There are no qualitative guidelines suggested with regard to domestic equity ratings, rankings, etc., except that prudent standards should be utilized by the investment managers. Convertible bonds will be considered as equity investments and must be rated "Baa"/"BBB" or better by both Moody's and Standard & Poor's.

2. Diversification

The investment managers should diversify the equity portfolio in an attempt to minimize the impact of substantial loss in any specific industry or issue. Therefore, no more than the greater of 20% of the total portfolio or two times the appropriate equity market weighting may be invested in any one economic sector as defined by Standard & Poor's for domestic equities or as defined by MSCI for international equities, valued at market. In addition, no more than 5% of the total portfolio may be invested in any one company, valued at cost, and no more than 10% valued at market.

XVII. PROHIBITED INVESTMENTS

The following categories of securities are not considered appropriate:

Interest only and principal only portions of collateralized mortgage obligations, or similar securities,
Private placements,
Margin trading,
Options and futures, except for hedging purposes

XVII. PERFORMANCE EXPECTATIONS

Investment objectives are intended to provide quantifiable benchmarks against which the progress toward long-range investment goals can be measured. The objectives are measured net of fees over a trailing three-year time horizon. In the case where three years of data does not exist, composite returns of an investment management organization will be used to determine compliance. On an individual investment firm basis, if two of the three objectives are not met, the Committee may consider replacing such firm.

A. Growth Equity Manager - - American Funds Growth Fund

Relative to appropriate indices:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total	Russell 1000 Growth	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	Large Cap Growth Equity	Top 50%

B. Value Equity Manager - - Franklin Income Fund

Relative to appropriate index:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total Fund	Core Index	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	Flexible Portfolio	Top 50%

C. Mid-Cap Core Equity Manager - - Fidelity Low Priced Stock Fund

Relative to appropriate index:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total	Russell Mid-Cap Core	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	Mid-Cap Core Equity	Top 50%

D. Mid-Cap Value Equity Manager - - Wells Capital Mid-Cap Value Fund

Relative to appropriate index:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total Fund	Russell Mid-Cap Value	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	Mid-Cap Value Equity	Top 50%

E. Global Core Equity Manager - - American Funds Capital Fund

Relative to appropriate index:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total Fund	Global Allocation	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	World Allocation	Top 50%

F. Global Fixed Income Manger - - Franklin Templeton Global Bond Plus

Relative to appropriate index:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total Fund	Citigroup World Government Bond	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	Global Unhedged Fixed Income	Top 50%

G. Short-Term Fixed Manager - - Goldman Sachs Asset Management (GSAM)

Relative to appropriate index:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total Fund	ML (1-3) G/C	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	Short Term Fixed Income	Top 50%

Risk tolerance:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total Fund	ML (1-3) G/C	Exceed

H. Cash Equivalent Manager

Relative to appropriate index:

<u>Section</u>	<u>Index</u>	<u>Objective</u>
Total Fund	90-day T-Bill index	Exceed

Relative to other professionally managed accounts:

<u>Section</u>	<u>Peer Universe</u>	<u>Objective</u>
Total Fund	Taxable Money Market	Top 50%

XIX. PRIMARY CONTACTS

Erie County Medical Center Corporation

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Erie County Medical Center Corporation

Procurement Guidelines

Effective March 1, 2018.

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I. STATEMENT OF PURPOSE AND SCOPE

A. Authority.

1. Public Authorities Law (“PAL”), Article 9, Title 4, New York Statutes, as amended.
2. Public Authorities Law, Article 10-C, New York Statutes, as amended (the “ECMCC Act”).
3. General Municipal Law (“GML”), Article 5-A, New York Statutes, as amended.
4. Public Health Law (“PHL”), Article 28, New York Statutes, as amended.
5. Executive Law (“EL”) Article 15A, New York Statutes, as amended.
6. State Finance Law (“SFL”), Article 9, New York Statutes, as amended.
7. Economic Development Law (“EDL”), Article 4-C, as amended.

B. Purpose.

The purpose of these Procurement Guidelines (“Guidelines”) is to set forth the procedures for purchasing supplies, equipment, materials, construction and services, including professional services, for Erie County Medical Center Corporation (“ECMCC”). These Guidelines are applicable to ECMCC and may be applied by ECMCC in other contexts, in its discretion.

C. Interpretation.

These Guidelines shall be construed and applied to promote compliance with all applicable laws. In the event of a conflict between these Guidelines and the requirements of any applicable law, the applicable law will prevail.

D. Application of These Guidelines.

1. Effective Date. These Guidelines are effective March 1, 2018.
2. Scope. These Guidelines shall apply to all contracts for construction and the purchase of all supplies, equipment, materials and services, including professional services, made by ECMCC irrespective of the source of funds, except as otherwise provided by law.
3. Severability. If any provision of these Guidelines or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or application of these Guidelines which can be given effect without the invalid provision or application, and to this end the provisions of these Guidelines are declared to be severable.
4. Annual Review. These Guidelines, as adopted pursuant to Section 2879 of the Public Authorities Law and Section 104-b of the General Municipal

Law, shall be subject to annual review and may otherwise be changed without notice by the Board of Directors of ECMCC. The Guidelines are for the use of ECMCC and should not be relied upon as establishing any right by any person or entity other than ECMCC.

E. Referenced Policies.

1. Property Disposal Policy
2. Preferred Source Policy
3. Procurement Disclosure Policy

II. DEFINITION OF TERMS

The following terms shall, for purposes of these Guidelines, have the meanings set forth below unless the context clearly indicates a different meaning:

1. Best Value. The basis for awarding Contracts for services to a Contractor that optimizes quality, cost and efficiency, among responsive and responsible respondents. Such basis shall reflect, wherever possible, objective and quantifiable analysis. Such basis may also identify a quantitative factor for respondents that are Small Businesses or Minority- or Women-owned Business Enterprises (“M/WBE”) to be used in evaluation of Bids or Proposals for awarding of Contracts for services. In any case where a respondents’ gross price is reducible by an allowance for the value of used machinery, equipment, apparatus or tools to be traded in by a political subdivision, the gross price shall be reduced by the amount of such allowance, for the purpose of determining the Best Value. (SFL § 163(1)(j) and GML § 103).
2. Bid. An offer or proposal submitted in response to an Invitation for Bids.
3. Construction. The building, renovation, retrofitting, rehabilitation, restoration, painting, alteration or repair of any real property or improvements thereon, exclusive of the installation and assembly of any medical equipment, apparatus or device.
4. Consulting Services. Analysis, evaluation, research, training, data processing, computer programming, engineering, environmental, health, and mental health services, accounting, auditing, paralegal, legal, or similar services.
5. Contract. A written agreement, memorandum of understanding, letter agreement, letter of intent, or purchase order that formalizes the obligations of all parties involved.
6. Contractor. Any individual, business or other legal entity awarded a Contract to furnish goods or services to ECMCC.
7. Contract Value. The total value of a Contract, including all renewal options. If the value of the Contract is not known or cannot be determined at the time the Contract is awarded (i.e., a service Contract that states an hourly fee but does not state the total hours of service to be provided; a commodities Contract that states the price of the commodities but does not state the total volume of

commodities to be purchased), the Contract Value shall be the total amount that ECMCC reasonably anticipates spending under the Contract during the term and any renewal options. With respect to joint Procurements, the amount to be expended by entities other than ECMCC shall be excluded from the Contract Value.

8. County. The County of Erie, New York.
9. Foreign Business Enterprise. shall mean a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation, which offers for sale, lease or other form of exchange, goods sought by ECMCC and which are substantially produced outside New York State, or services sought by ECMCC and which are substantially performed outside New York State. (PAL § 2879(5)(b)(i)).
10. Group Purchasing Organization (GPO). An entity that aggregates the purchasing volume of members, such as hospitals and health-care providers, to leverage discounts with manufacturers, distributors and other vendors intending to realize administrative savings and efficiencies. (PHL § 2803-a).
11. Invitation for Bids (IFB). A formal competitive solicitation seeking sealed Bids for Construction work or specified goods or services, pursuant to which award is made to the responsive and responsible bidder(s) submitting the lowest price, provided that Contracts for goods and services (excluding Contracts for services necessary for the completion of a Construction project) may be awarded on the basis of Best Value to a responsive and responsible bidder. Generally, IFBs are used for the Procurement of Construction, equipment, materials and supplies.
12. Medical Building. The component of a Medical Project constituting appurtenant structures or facilities necessary to house or render the remaining components of the Medical Project operational. Medical Building does not include apparatus, equipment, devices, systems, supplies, or any combination thereof. (PAL § 3628(11)(g)(iii)).
13. Medical Project. Any substantial durable apparatus, equipment, devise, or system, or any combination of the foregoing, including services necessary to install, erect, or assemble the foregoing, and any Medical Building, to be used for the purpose of care, treatment or diagnosis of disease or injury or the relief of pain and suffering of sick or injured persons. Medical Projects do not include ordinary supplies and equipment expended or used in the customary care and treatment of patients. (PAL § 3628(11)(g)(iv)).
14. Minority or Women-Owned Business Enterprise (“M/WBE”). A business certified under Article 15-A of the Executive Law that is independently owned, operated and authorized to do business in New York State; and is owned and controlled by at least 51% women or minority group members, respectively, who are citizens of the U.S. or permanent resident aliens. Such ownership must be real, substantial and continuing, and the minorities or women must have and exercise the authority to control independently the day-to-day business decisions of the enterprise.

15. New York State Business Enterprise. A business enterprise, including a sole proprietorship, partnership, limited liability company or business corporation, which offers for sale or lease or other form of exchange, goods which are sought by ECMCC and which are substantially manufactured, produced or assembled in New York State, or services which are sought by ECMCC and which are substantially performed within New York State. (PAL § 2879(5)(b)(ii)).
16. New York Resident. A natural person who maintains his or her permanent and principal home, within New York State and to which such person, whenever temporarily located away from such home, always intends to return.
17. New York State Contract Reporter (“NYSCR”). A publication of procurement opportunities printed for the New York State Economic Development Bureau pursuant to the New York State Economic Development Law. (EDL §§ 141 - 143).
18. Personal Services. Any services performed for a fee, commission or other compensation by persons or organizations that are not providing such services as employees of ECMCC. Personal Services include, but are not limited to, professional services or any other services of a consulting, technical or professional nature.
19. Preferred Source. Contractors selected in accordance with ECMCC’s Preferred Source Policy and State Finance Law Section 162, offering specific commodities or services that meet the form, function and utility requirements of ECMCC.
20. Project Developer. Any individual or entity that has submitted a Proposal in response to a Request for Proposals for a Medical Project. (PAL § 3628(11)(g)(i)).
21. Procurement. The acquisition of goods and/or services.
22. Procurement Contract. Any written agreement to which ECMCC is a party for the acquisition of goods or services of any kind in the actual or estimated amount of five thousand dollars (\$5,000) or more. (EDL § 141).
23. Procurement Record. Documentation of the decisions made and the approach taken with respect to a Procurement.
24. Professional Services. Services involving the provision of advice, instruction or specialized work from an individual, firm or corporation specifically qualified or licensed to provide such services including, but not limited to, accounting, legal, health care, consulting and management services.
25. Proposal. An offer or response submitted in response to a Request for Proposals.
26. Recycled Product. A product that is manufactured from secondary materials as defined in the EDL § 261(1)(d).
27. Request for Proposal (“RFP”). A competitive solicitation seeking Proposals for a specified service or technology, pursuant to which an award is made to the responsive and responsible respondent offering the best value. Generally, RFPs are used for the Procurement of services, information technology systems, and

consultants.

28. Responsible. The status afforded an individual or company based on factors such as: financial ability and organization capacity; legal authority to conduct business in New York state; integrity as it relates to business related conduct; and past performance.
29. Responsive. Meeting the minimum Specifications or Requirements as prescribed in a solicitation for goods or services.
30. Small Business. A business which is resident in New York State, independently owned and operated, not dominant in its field and employs one hundred or less persons. (SFL § 163(1)(e)).
31. Specifications (Requirements). Description of the physical or functional characteristics or the nature of a good, the work to be performed, the service or products to be provided, the necessary qualifications of the offeror, the capacity and capability of the offeror to successfully carry out the proposed Contract, the process for achieving specific results and/or anticipated outcomes, or any other requirement necessary to perform the work.

III. SOURCE SELECTION

A. Methods of Source Selection.

Unless otherwise authorized by law, all ECMCC Contracts will be awarded in accordance with one of the following Sections of these Guidelines:

- (a) Section III.B (Preferred Source)
- (b) Section III.C (Invitation for Bid);
- (b) Section III.D (Request for Proposal);
- (c) Section III.E (Discretionary Procurements);
- (d) Section III.F (Medical Projects);
- (e) Section III.G (Exemptions);
- (F) Section III.H. (Joint Purchase).

B. Preferred Source.

Prior to engaging in any other method of source selection for the purchase of goods or services, ECMCC shall assess, in accordance with the ECMCC Preferred Source Policy and Section 162 of the State Finance Law, whether the desired goods or services are available from an offeror that has been afforded Preferred Source status. If a Preferred Source has goods or services available in the form, function and utility consistent with the needs of ECMCC, such goods or services shall be procured in accordance with the requirements of State Finance Law section 162 and ECMCC's Preferred Source Policy. If a good or service is not available in form, function and utility consistent with the needs of ECMCC from a Preferred Source, ECMCC may then exercise its authority to utilize any of the other applicable procurement methods set forth in these Guidelines.

C. Invitation for Bid.

1. Conditions for Use. Contracts will be awarded competitively by evaluating Bids submitted in response to an Invitation for Bid, except as otherwise provided in these Guidelines.
2. Invitation for Bid. When the estimated amount of Procurement exceeds \$20,000 for supplies and services, or \$35,000 for public construction projects, and does not qualify for a Request for Proposals (see Section III.D), a Discretionary Procurement (see Section III.E) or for an Exemption from Formal Competition (see Section III.G), ECMCC will issue an Invitation for Bid which shall include Specifications and the contractual terms and conditions applicable to the Procurement. (GML § 103(1)).
3. Public Notice. ECMCC must publish notice of the IFB in a daily newspaper, having general circulation in the County, at least five (5) days prior to the date set forth therein for the opening of Bids. Such notice shall state the time and place for opening of the Bids. Where applicable, ECMCC must also publish notice of the IFB in the Contract Reporter in accordance with Section IV.A. (GML § 103(2), PAL § 3628(10)(b)).
4. Bid Acceptance and Evaluation. Timely bids will be unconditionally accepted and evaluated for responsiveness based on the requirements set forth in the IFB, which may include criteria to determine acceptability such as inspection, quality, workmanship, delivery and suitability for a particular purpose.
5. Correction or Withdrawal of Bids; Cancellation of Awards. ECMCC may permit, where appropriate, the withdrawal of inadvertently erroneous Bids before or after award, or cancellation of awards or Contracts based on such Bid mistakes. After Bid opening, no changes to Bid prices or other provisions of Bids prejudicial to the interest of ECMCC or fair competition shall be permitted.
6. Award. A Contract will be awarded after all necessary approvals have been obtained by written notice to the lowest responsible and responsive bidder (or bidders, in the case of multiple awards) whose Bid meets the requirements and criteria set forth in the IFB.
7. Bid Retention. All Bids received, including all related documentation and communications received from bidders during the bidding process, will be maintained in a Procurement Record by ECMCC for twelve (12) months.

D. Request for Proposal.

1. Conditions for Use. A Contract may be solicited through an RFP rather than an IFB if the estimated amount of Procurement exceeds \$20,000 for supplies and services or \$35,000 for public construction projects and factors other than price are critical to the Procurement (such as specialized skills or equipment) and none of the exemptions described in Section III.G (Exemptions from Formal Competition) are applicable. For example, an RFP might be used for the Procurement of Personal Services or the Procurement of biotechnology, electronic, software and system applications. (GML § 103(1)).
2. Request for Proposal. ECMCC will issue an RFP, which shall include a

statement of work and/or Specifications, and the contractual terms and conditions applicable to the Procurement.

3. Public Notice. ECMCC shall, if applicable, publish notice of the IFB in the Contract Reporter in accordance with Section IV.A. ECMCC may also publish notice of the RFP in a newspaper or other publication for purposes of soliciting participation as determined by the Director of Purchasing.
4. Evaluation. Where the basis for award is the Best Value offer, the Procurement Record shall include a determination of the evaluation criteria in advance of the initial receipt of proposals, which whenever possible, shall be quantifiable, and shall describe the process to be used in the determination of Best Value and the manner in which the evaluation process and selection shall be conducted. The RFP shall set forth criteria stating the relative importance of each evaluation factor to the Procurement, including price, to be used by ECMCC during the evaluation period. Each Procurement based on Best Value shall be evaluated by a selection committee of no fewer than two (2) impartial employees or contractors of ECMCC with subject matter expertise. The Procurement Record shall include a full record of all evaluations performed by selection committee, including scorecards of the criteria.
5. Negotiations with Responsible Offeror and Revisions to Proposals. As provided in the RFP, a selection committee may conduct negotiations with responsible offerors who timely submit Proposals determined to be reasonably qualified to be selected for award. The purpose of negotiations will be to seek the Best Value for ECMCC and to clarify for and advise offerors of the deficiencies in both the technical and price aspects of their Proposals so as to assure the full understanding of and conformance to the solicitation requirements. No offeror will be provided information about any other offeror's Proposal, and no offeror will be assisted in bringing its Proposal up to the level of any other Proposal. Offerors will not be directed to reduce their Proposal prices to a specified amount in order to be considered for award. A common deadline will be established for receipt of Proposal revisions and communicated to responsible offerors.
6. Award. After evaluation of Proposal revisions, if any, award will be made to the responsible offeror (or offerors, in the case of multiple awards) whose Proposal is determined to be the most advantageous to ECMCC taking into consideration price and the evaluation factors set forth in the RFP.
7. Documentation of Award. If an award is made to an offeror who is not the lowest bidder, ECMCC shall document the factors taken into consideration, and findings indicating the requirements of ECMCC are met by the award. Such documentation shall be maintained in the Procurement Record.
8. Proposal Retention. All Proposals received, including all related documentation and communications received from offerors during the selection process, will be maintained by ECMCC for twelve (12) months.

E. Discretionary Procurements.

For purchases up to the discretionary Procurement thresholds set forth below, ECMCC

shall not be required to conduct formal competitive bidding processes. With respect to any discretionary Procurement, ECMCC must (i) ensure that the goods, services or technology acquired meet ECMCC's form, function and utility needs; (ii) document and justify the selection of the vendor; (iii) document and justify the reasonableness of the price; and (iv) ensure that the vendor is a responsible vendor. Reasonableness of price may be determined by obtaining three (3) alternate quotes or comparing the proposed price to prices paid for similar goods or services within the previous twelve (12) months.

1. Supplies and Services under \$20,000. Any Procurement of goods and services, including Professional Services, with a Contract Value that does not exceed \$20,000 including all renewal options may be made without a competitive bidding process; provided, however, that reasonable efforts shall be made to ensure that the price to be paid is reasonable. A Procurement shall not be artificially divided so as to constitute a discretionary Procurement under this Section. (GML § 103(1)).
2. Public Works under \$35,000. Any construction project with a total Contract Value that does not exceed \$35,000 may be awarded without a competitive bidding process; provided, however, that reasonable efforts shall be made to ensure that the price paid is reasonable. A construction project may not be divided into more than one project so as to constitute a discretionary Procurement under this Section. (GML § 103(1)).
3. M/WBE Goods and Services under \$200,000. Any Procurement Contract for goods or services, with a Contract Value that does not exceed \$200,000 including all renewal options, may be awarded to an M/WBE without a competitive bidding process, provided that the price for the goods or services is determined to be reasonable in accordance with the M/WBE Policy. The reasonably expected aggregate amount of all purchases of the same commodities or services from the same provider within the twelve-month period commencing on the date of the first purchase cannot exceed the \$200,000 limit. Therefore, even though the value of an individual Procurement Contract may be below the Discretionary M/WBE Procurement threshold, expected purchases during the following twelve (12) month period should be evaluated to determine whether the discretionary procurement exception is available. Where the Contract Value exceeds \$50,000, the Contract award, and if applicable, the mini-bid directed to M/WBE firms, must be advertised in the New York State Contract Reporter in accordance with Section IV.A. (PAL § 2879)
4. Small Business Goods and Services under \$200,000. Any Procurement Contract for goods or services with a Contract Value that does not exceed \$200,000, including all renewal options, may be awarded to a Small Business without competitive bidding process, provided that the price for the goods or services is determined to be reasonable. For purposes of determining reasonableness of price, the same process set forth in the M/WBE Policy shall apply to Small Business discretionary awards. The Procurement requirements shall not be artificially divided so as to constitute a discretionary Procurement under this Section III.G. Where the Contract Value exceeds \$50,000, the Contract award and, if applicable, the solicitation directed to Small Businesses, must be advertised in the New York State Contract Reporter in

accordance with Section IV.A. (PAL § 2879).

F. Medical Projects.

1. Source Selection. ECMCC may award Contracts for Medical Projects to Project Developers on the basis of factors other than cost alone, including but not limited to, facility design, system reliability, efficiency, safety and compatibility with other elements of patient care. Notwithstanding any contrary provisions of law, a Contract for a Medical Project with a Project Developer may be awarded pursuant to the competitive bidding process outlined in Section III.C (Invitation for Bid) or pursuant to the Proposal evaluation process outlined in Section III.D (Request for Proposal). (PAL § 3628(10)).
2. Public Notice. When an RFP is issued for a Medical Project, ECMCC shall publish notice of such issuance in at least one (1) newspaper of general circulation in the County. Concurrent with the publication of such notice, a draft RFP shall be filed with the County Commissioner of Health. (PAL § 3628(10)(b)).
3. Board Resolution. If after issuance of an RFP for a Medical Project, a Contract is awarded to a Project Developer who is not the lowest bidder, ECMCC shall adopt a resolution containing particularized findings indicating that the requirements of ECMCC are met by the award and that such award is in the public's best interest. (PAL § 3628(10)(b)).
4. Project Cost over \$500,000. Where a Medical Project expected to cost more than \$500,000 involves the construction of a Medical Building, ECMCC's Contract with the Project Developer shall provide that the Medical Building shall be constructed through Contracts awarded through the competitive bidding process outlined in Section III.C (Invitation for Bid) and shall require separate and independent competitive bidding in each of the following subdivisions:
 - (a) plumbing and gas fitting;
 - (b) steam heating, hot water heating, ventilating and air conditioning apparatus; and
 - (c) electric wiring and standard illuminating fixtures.(PAL §§ 3628(11)(b)(i)-(iii)).
5. Bid Security. Where a Medical Project expected to cost more than \$500,000 involves the construction of a Medical Building, the Project Developer or the Project Developer's construction subcontractors shall furnish bid security as provided in Section V.A(1). (PAL § 3628(11)).

G. Exemptions from Formal Competition.

The following types of Procurements are exempt from the competitive bidding process

and may be awarded by ECMCC without issuance of a formal IFB, provided however that unless otherwise noted herein or within the M/WBE Policy, exemption from competitive bidding shall not exempt the Procurement from applicable M/WBE participation requirements set forth in the M/WBE Policy or Contractor Reporter publication requirements set forth in Section IV.A:

1. Professional Services. Where the issuance of an RFP is impractical due to the professional nature or scope of the services to be provided, such Professional Services may be procured through the solicitation of price quotations from no less than three (3) offerors. Such quotations must be obtained in writing. Award will be made to the offeror providing the Best Value to ECMCC based on an evaluation of the price and other specified factors. If factors other than price are utilized in the evaluation of the quotes, such factors shall be disclosed to all offerors at the time the price quotation is solicited. The names, addresses and/or telephone numbers of the offerors and persons contacted, along with the date and amount of each quotation shall be recorded and maintained in the Procurement Record. Any award of a Contract under this Section III.G(1) shall comply with ECMCC's M/WBE policies and procedures and the Contractor Reporter publication requirements set forth in Section IV.A.
2. Additional Items under Existing Contract. Where the need for additional items or services arises under an existing Contract awarded pursuant to an IFB or RFP, such Procurement may be made without issuing a new IFB or RFP, provided that the additional items or services were contemplated under the original IFB or RFP, are provided within eighteen (18) months of the original RFP or IFB and the quantity of additional items or services does not exceed thirty (30%) percent of the quantity of items or services procured under the original Contract. All communications and documentation related to the Procurement of additional items or services will be maintained in the Procurement Record. For avoidance of doubt, this Section shall not apply to any discretionary Procurements to the extent that the additional items or services would cause the Contract Value to exceed the discretionary Procurement threshold. To the extent that the additional items or services impact the Contract Value, and the Contract is subject to M/WBE goals, ECMCC shall require the Contractor to submit an updated M/WBE Utilization Plan in accordance with the M/WBE Policy.
3. Standardization. For reasons of efficiency or economy, purchase Contracts for equipment, material, supplies or services may be standardized to a particular make, model or brand upon the approval by at least three-fifths of the members of the Board of Directors of ECMCC. The resolution adopted by the Board shall specify the reasons that standardization is appropriate. A common reason for standardization is to ensure that equipment purchased is compatible with existing equipment or spare parts. For such purchases to be justified, the original equipment should be suitable for the required purpose, the price should be reasonable when compared to the overall cost, and the advantages of another make or source of equipment shall have been considered and rejected on grounds acceptable to ECMCC. After a resolution is adopted, ECMCC may specify the standardized make, model or brand in specification document, however all competitive processes set forth in these Guidelines must still be followed. (GML § 103(5)).

4. Sole Source. When ECMCC determines that there is only one source for required goods or services, and no other vendor offers functionally equivalent goods or services in the marketplace, a Procurement Contract for such goods or services may be awarded without competitive procedures, provided that a Sole Source Justification Form is completed by the Department initiating the Procurement and approved by the Director of Purchasing, Counsel, and ECMCC's CEO or CFO. Sole source Procurements with Contract Values exceeding \$50,000 shall be advertised in the Contract Reporter in accordance with Section IV.A. The definition of "Sole Source" under these Guidelines shall include those instances where goods or services are available from two or more vendors, but a particular vendor is preferable because of specific factors described in this section. Factors supporting an award in such a "single source" situation include: (i) legislation or appropriation mandates use of particular vendor; (ii) warranty voided if service or parts are provided by a different vendor; (iii) software license renewals, additions, or upgrades available from only one source, or (iv) other proprietary circumstances as may be identified in the Sole Source Justification Form, as may be amended. (1983 Op. St. Compt. No. 83-67)
5. Emergency Procurement. Notwithstanding any other provision of these Guidelines, ECMCC may make or authorize others to make an emergency Procurement in the event of an immediate threat to public health, welfare or safety, or to prevent or minimize serious disruption of ECMCC services jeopardizing patient health, welfare or safety; subject to the following provisions:
 - (a) The emergency Procurement shall be limited to those supplies, services or construction items necessary to meet the immediate emergency;
 - (b) Whenever practicable, approval of the CEO shall be obtained prior to the Procurement;
 - (c) Emergency Procurements shall be made with such competition as is practicable under the circumstances;
 - (d) The official responsible for the Procurement shall submit to the Board of Directors a written determination of the basis for the emergency and for the selection of the particular Contractor prior to the next meeting of the Board and the Board shall ratify the Emergency Procurement at such Board meeting. (GML § 103(4)).
6. Joint Hospital Purchases. ECMCC may participate in a joint purchasing agreement for the Procurement of goods, supplies and services with one or more other municipal, state, federal or privately-owned hospital or other health related facility or medical school that receives public funding without competitive bidding. Such cooperative or joint purchasing may include, but is not limited to, multi-party contracts between public Procurement units and open-ended public Procurement unit contracts that are made available to other entities. Such joint purchases are exempt from traditional M/WBE goals but must comply with other applicable M/WBE policies ECMCC has in place governing joint purchases. (PHL § 2803-a).

7. Group Purchasing Organizations. ECMCC recognizes purchases made through Group Purchasing Organizations as a best practice in hospital purchasing nationwide with associated efficiencies, savings and speed. ECMCC may participate in one or more group purchasing organizations (GPO). Procurements made pursuant to a GPO arrangement shall not be subject to competitive bidding processes or traditional M/WBE goals. (PHL § 2803-a).
8. Surplus and Second-Hand. Surplus and second-hand supplies, equipment and materials purchased from the federal government, New York State, or any other political subdivision, district or public benefit corporation are not subject to the competitive bidding process. (GML § 103(6)).
9. Recycled Products. Recycled products may be purchased without regard to the competitive Bid process so long as they meet the specified requirements and are reasonably competitive. Reasonably competitive shall mean that the cost of the recycled product does not exceed a cost premium of ten (10%) percent above a comparable non- recycled product. (GML § 104-a).
10. Government Sources. ECMCC may purchase from the New York State Office of General Services when the purchase exceeds \$500, or it may make purchases from the federal government, without regard to the competitive Bid process or M/WBE goals. However, when ECMCC elects to use a federal source for the purchase of goods or services, no purchase may be made where a Bid for such good or service has been received, unless the purchase may be entered into upon the same terms, conditions, and Specifications and represent a cost savings to ECMCC. (SFL § 163(3)(iv), PAL § 3628(9)).
11. Board Waiver of Requirements for Competitive Selection of Contractors. The ECMCC Board may, by resolution, waive requirements for the competitive selection of contractors for a specific procurement that otherwise would be awarded on a competitive basis when such waiver is in the best interest of ECMCC. Accordingly, the Board of Directors may, upon careful deliberation and a vote of 2/3 of the Directors present at a meeting of the Board at which such Contract is presented, waive the selection of contractors on a competitive basis when doing so is in the best interest of ECMCC. (PAL § 2879(3)(b)(i)).
12. Professional Health Care Services. Contracts for professional health care services including but not limited to services performed by health care agencies or entities, physicians, dentists, physician's assistants, home health and personal care aides, occupational, speech, respiratory and physical therapists, nurses, nurses' assistants, medical and laboratory technicians, diagnosticians, social workers, psychiatric workers, veterinarians, and persons who provide care, treatment, counseling, case management, rehabilitative or preventative services to the mentally ill, developmentally disabled and those suffering from the disease of alcoholism or substance abuse are exempt from competitive bidding.

H. Pre-qualification/Request for Qualifications.

Prospective suppliers may be pre-qualified for particular types of supplies, services or construction. Such pre-qualification, however, is subject to subsequent

review and does not necessarily constitute a finding of responsibility for any particular contract award nor does it guarantee an amount to be awarded. Notice of the Request for Qualifications shall be published at least annually in a newspaper of general circulation, and shall be published in the New York State Contract Reporter, similar to an IFB/RFP. The pre-qualified vendor list generated by the Request for Qualifications shall not contain less than five (5) bidders and must remain open for additional qualified bidders. Prequalification of bidders does not constitute competitive bidding. An IFB or RFP must still be used to determine how a particular Procurement will be awarded. (GML § 103(15)(b)).

I. New York State Business Enterprises.

It is the goal of ECMCC to promote the participation of New York State Business Enterprises and New York State Residents in Procurement Contracts. (PAL §§ 2879(3)(n)-(p)).

IV. PROCEDURES and STANDARD PROVISIONS

A. New York State Contract Reporter. All Procurements (other than joint purchases and contracts for health care services) of goods, services or public works having a Contract Value of Fifty Thousand Dollars (\$50,000) or more shall be published in the New York State Contract Reporter (except as provided below).

1. Notice of Procurement. For all Procurement Contracts with a Contract value equal to or greater than \$50,000 ECMCC will, prior to issuing an IFB or RFP, submit the following information to the New York State Contract Reporter website: (a) ECMCC's name and address; (b) the IFB or RFP number; (c) a brief description of the goods and/or services sought, the location where goods are to be delivered and/or services provided and the contract term; (d) the address where bids or proposals are to be submitted; (e) the due date for Bids or Proposals; (6) a description of any eligibility or qualification requirements or preferences; (7) a statement as to whether the contract requirements may be fulfilled by a subcontracting, joint venture or coproduction arrangement; (8) any other information deemed useful to potential contractors; (9) the name, address, and phone number of the person to be contacted for additional information and (10) a statement as to whether the goods and/or services sought have, in the immediately preceding three-year period, been supplied by a Foreign Business Enterprise (as defined in EDL § 141(2)). The notice of Procurement opportunity shall appear in the NYSCR at least fifteen (15) business days prior to the Bid or Proposal due date. (EDL § 142(2)(c)).
2. Notice of Contract Award. At the time a determination of intent to award a Procurement Contract is made, the following information shall be submitted for publication in NYSCR:
 - (a) For Procurement Contracts obtained through IFB, the result of the Bid opening including the names of bidding firms and the amounts bid by each;
 - (b) For Procurement Contracts obtained through RFP or quote solicitation, the names of vendors submitting

Proposals or quotes and the vendor submitting the selected Best Value Proposal or quote.

- (c) For all other Procurement Contracts (including Procurement Contracts with a value of \$50,000 or more awarded on a sole source or single source basis, including such Contracts not exceeding \$200,000 awarded to Small Businesses or M/WBE firms, or for the purchase of goods and/or technology that are recycled or remanufactured, and certain other Procurement Contracts exempt from the general advertising requirement for procurement contract bidding opportunities), the name of the proposed awardee. (EDL §§ 143(2)-(3)).

- 3. Exemptions. This Section IV.A shall not apply (a) in the event of an Emergency Procurement, (b) if the Procurement is being resolicited within forty-five (45) business days after the date Bids or Proposals were originally due, or (c) to Procurement Contracts awarded to not-for-profit human services providers. (EDL § 144).

B. Cancellation of Invitation for Bid or Request for Proposal.

An IFB, RFP or other solicitation may be canceled, or any or all Bids or Proposals may be rejected in whole or in part as may be specified in the solicitation or otherwise, when it is in the best interest of ECMCC. The reasons for the cancellation or rejection shall be made part of the Procurement Record. (GML § 103(1)).

C. Responsibility of Bidders and Respondents.

- 1. Standards. Factors to be considered in determining whether the standard of “responsibility” has been met include whether a prospective contractor has:
 - (a) Available the appropriate financial, material, equipment, facility and/or personnel resources and expertise, or the ability to obtain them, necessary to indicate its ability to meet all contractual requirements;
 - (b) A satisfactory record of performance with projects of a similar size and nature;
 - (c) A satisfactory record of integrity;
 - (d) Qualified legally to contract with ECMCC; and
 - (e) Promptly supplied all necessary information in connection with the inquiry concerning responsibility.
- 2. Written Determination of Non-Responsibility or Nonresponsiveness Required. If a bidder or offeror who otherwise would have been awarded a contract is found non-responsible or nonresponsive, ECMCC shall issue a written determination of non-responsibility or nonresponsiveness setting forth the basis of the finding.

D. Compliance with Procurement Lobbying Law. In accordance with ECMCC’s Procurement Disclosure Policy, bidders and offerors are required to disclose prior violations of the Procurement Lobbying Law and certify compliance with ECMCC’s

Procurement Disclosure Policy. ECMCC shall investigate any report of violation of the Procurement Disclosure Policy. Failure to comply with the Procurement Disclosure Policy may result in the disqualification of a Contractor from future Procurement opportunities.

E. Vendor Preparation of Technology Specifications. If a vendor prepares and furnishes specifications for a technology Procurement proposal, to be used in a competitive Procurement, such vendor shall not be permitted to bid or propose on such Procurement, either as a prime vendor or as a subcontractor. Contracts for evaluation of offers for products or services shall not be awarded to a vendor that would then evaluate its own offers for products or services. Such restrictions shall not apply where:

1. The vendor is the sole source or single source of the product or service;
2. More than one vendor has been involved in preparing the specifications for a Procurement proposal; or
3. A vendor has furnished at ECMCC's request specifications or information regarding a product or service they provide, but such vendor has not been directly requested to write specifications for such product or service or an ECMCC technology procurement proposal.

F. Contract Provisions.

1. All Contracts for Personal Services shall detail the scope of services to be performed and the time frame for performance, the monitoring or reviewing of that performance by ECMCC personnel and, where appropriate, any permitted use of supplies, facilities or personnel. Such contracts also shall state the compensation for the services, the timing of payment, the preconditions for receiving payment from ECMCC, procedures for termination of the contract and any other provisions counsel deems necessary or appropriate for each particular contract. If the performance of any contract permits or requires the use of subcontractors, the Contract shall require the Contractor to act affirmatively to secure such participation by M/WBEs and to report the nature and extent of such efforts to ECMCC in accordance with predetermined ECMCC participation goals.
2. All Contracts awarded through one of the competitive Bid processes also must include the following non-collusive bidding certification language:
 - (a) By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:
 - The prices in this bid 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 bidder or with any competitor;
 - Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the

bidder and will not knowingly be disclosed by the bidder prior to opening, directly or indirectly, to any other bidder or to any competitor; and

- Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the bidder and will not knowingly be disclosed by the bidder prior to opening, directly or indirectly, to any other bidder or to any competitor; and
- No attempt has been made or will be made by the bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

G. Contract Review and Approval.

1. General Counsel. All contracts and amendments to contracts must be reviewed and approved by ECMCC's General Counsel, with the exception of renewals or extensions to existing contracts upon the same terms and conditions previously reviewed and approved by the General Counsel. General Counsel may designate an attorney member of the Office of General Counsel to perform review in any particular instance.
2. Board Approval of Non-Budgeted Contracts. Any Contract with a Contract Value in excess of \$500,000 that does not appear in the budget must be approved by the Board of Directors.
3. Board Approval and Annual Review of Certain Contracts for Services. Any Procurement Contract for services with an actual or anticipated term of more than one (1) year must be approved by and annually reviewed by the Board of Directors. (PAL § 2879).
4. Signing Authority. The CEO, CFO and President are the only persons authorized to sign Contracts on behalf of ECMCC.

H. ECMCC Reserved Rights. The following statement of reserved rights may be incorporated in all RFPs and IFBs.

ECMCC reserves the right to:

1. Reject any and all proposals submitted in response to this Request for Proposals or Invitation for Bids;
2. Disqualify any respondent whose conduct or proposal fails to conform to the requirements of this RFP/IFB;
3. Withdraw this RFP/IFB at any time at its sole discretion;
4. Prior to submission of proposals to amend the RFP/IFB specifications to correct errors or oversights, or to supply additional information as it becomes available;
5. Change any of the scheduled dates;

6. Waive any requirements that are not material;
7. Waive any non-conformity with the requirements of this RFP/IFB;
8. Terminate this RFP/IFB process at any time;
9. Seek clarification from a respondent at any time throughout the RFP/IFB process for the purpose of resolving ambiguities or questioning information presented in proposals;
10. Award the contract in whole or in part and/or apportion the award among one or more respondents;
11. Negotiate final terms with the successful respondent(s);
12. Conduct contract negotiations with the next responsible bidder, should ECMCC be unsuccessful in negotiating with the selected bidder; and
13. Prepare a list of finalists based on initial proposal evaluations and request that finalists present in-person or telecommunicated presentations to ECMCC.

V. BOND REQUIREMENT

A. Bid Security.

1. Requirement for Bid Security on Construction Contracts. Bid security shall be required for Contracts involving the construction of a Medical Building when the cost is estimated to exceed \$500,000. Bid security shall be in the form of a bond from the Project Developer or the Project Developer's construction subcontractor guaranteeing prompt payment when due to all persons furnishing labor and materials. Such bond shall be provided by a surety company authorized to do business in New York, or the equivalent in cash or otherwise supplied in a form satisfactory to ECMCC. Nothing herein prevents the requirement of such bonds on other construction Contracts or Contracts valued under \$500,000 when the circumstances warrant. (PAL § 3628(11))
2. Bid Security on Supply or Services Contracts. Bid security may be required for supply or service contracts, as ECMCC deems necessary to protect ECMCC's interests. Any security requirements shall be set forth in the solicitation. Bid security shall be a bond provided by a surety company authorized to do business in New York or the equivalent in cash or otherwise supplied in a form satisfactory to ECMCC. Bid security shall not be used as a substitute for a determination of a bidder or offeror's responsibility.
3. Rejection of Solicitations for Noncompliance with Bid Security Requirements. When the solicitation requires security, noncompliance requires that the Bid or Proposal be rejected unless otherwise waived by ECMCC pursuant to these Guidelines. (PAL § 3628(11)).

B. Other Forms of Security on Construction Contracts.

ECMCC may require other forms of security to assure timely, faithful and uninterrupted performance, including, but not limited to, operations period surety bonds, letters of credit, and appropriate written guarantees from the Contractor.

VI. ETHICS

A. Definitions.

1. Direct and Indirect Participation. Involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or Procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.
2. Employee. Any individual drawing a salary from ECMCC or any non-compensated individual performing services for ECMCC.
3. Relative. An individual residing in the same household as the ECMCC employee and any individual who is a direct descendent of the employee's grandparents or the spouse of such descendent.

B. Conflict of Interest.

1. Conflict of Interest. It shall be a breach of ethical standards for any employee to participate directly or indirectly in a Procurement when the employee knows that:
 - (a) The employee or a relative of the employee has a financial interest pertaining to the Procurement;
 - (b) A business or organization in which the employee or relative is involved has a financial interest pertaining to the Procurement;
 - (c) Any other person, business, or organization with whom the employee or relative is negotiating or has an arrangement concerning prospective employment is involved in the Procurement.

C. Kickbacks.

It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor, higher tier subcontractor or any person associated therewith, or a relative of such contractors or subcontractors, as an inducement for the award of a subcontract or order.

D. Procurement Disclosure Policy.

ECMCC, its officers, agents and representatives shall comply with State Finance Law Sections 139-j and 139-k and ECMCC's Procurement Disclosure Policy with respect to all Procurements with an estimated annualized expenditure of \$15,000.

VII. MINORITY AND WOMEN BUSINESS ENTERPRISE (“M/WBE”) REQUIREMENTS.

A. Scope. All Procurement Contracts entered into by ECMCC exceeding \$25,000 for labor, services, supplies, equipment, or materials or exceeding \$100,000 for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements, must comply with the M/WBE requirements set forth in New York State Executive Law Article 15-A, as well as 5 NYCRR Parts 142-144 (“M/WBE Regulations”) (“State Contracts”). With respect to procurement of services and commodities, ECMCC shall consider the reasonably expected aggregate amount of all purchases of the same commodities or services to be made within a twelve (12) month period commencing on the date of purchase when determining whether these requirements apply. Aggregate purchases of the same commodities or services within a twelve (12) month period are deemed a single transaction.

B. M/WBE Goal Plan.

1. Annually, ECMCC shall submit to the director of the NYS Department of Economic Development, Division of Minority and Women’s Business Development (the “Division”), an M/WBE Goal Plan setting forth the percentage of ECMCC expenditures targeted for the participation of M/WBEs in the following State Contract categories:

- Construction;
- Commodities;
- Construction related professional services; and
- Non-construction related professional and non-professional services.

2. Establishment of Goals. ECMCC shall review all State Contracts and establish overall goals for each contract as well as goals for specific MBE and WBE participation, as required by 5 NYCRR 142.2. Generally, ECMCC is committed to achieving an overall M/WBE utilization percentage of thirty percent (30%) of ECMCC’s Agency Budget, which percentage goal may be amended from time to time as set forth in the M/WBE Goal Plan (the “M/WBE Goal”). This goal is generally subdivided into twenty percent (20%) MBE and ten percent (10%) WBE participation, but may be reduced or increased on an individual basis at ECMCC’s discretion.

3. Exempt and Excluded Expenditures. The M/WBE Goal Plan includes a list of “Exempt” and “Excluded” expenditures, which expenditures are not included in ECMCC’s agency budget. Such exemptions and exclusions shall include those otherwise described within these Guidelines, but may also include other areas that ECMCC determines insufficient M/WBE utilization is available.

4. State Contract Goals. Each IFB, RFP, and proposed contract that is expected to result in a State Contract (other than an exempt or excluded State Contract) shall set forth the M/WBE Goal for the State Contract.

Individual goals may be set for each State Contract, taking into consideration the factors set forth in 5 NYCRR 141.2(e). Each IFB and RFP shall include detailed instructions on M/WBE compliance and requirements to be met in responding the IFB or RFP.

C. ECMCC's Good Faith Efforts. For all procurements anticipated to result in a State Contract (other than an exempt or excluded State Contract), ECMCC shall employ good faith efforts to achieve M/WBE participation in accordance with 5 NYCRR 141.6, including, but not limited to, the following notice of solicitation strategies:

1. NYS Contract Reporter. With respect to all procurements expected to result in a State Contract exceeding \$50,000, such procurements shall be advertised in the New York State Contract Reporter.
2. Direct Solicitation of M/WBEs. Notice of the solicitation (by email or letter) shall be sent by ECMCC's Department of Purchasing directly to certified M/WBEs that have been identified by ECMCC as M/WBE vendors qualified to provide the service or commodity.
3. Other Media. Advertisements for RFPs, IFBs and other solicitations anticipated to result in a State Contract will also be placed in minority and women-focused media as appropriate.

D. Documentation of Good Faith Efforts. ECMCC shall document its Good Faith Efforts by including in the procurement record: (1) documentation showing M/WBE vendors, organizations and associations that were solicited and/or copies of advertisements placed in general circulation media, trade association, publications and/or minority-focused media, and (2) all bids, quotes, proposals or other responses received from M/WBE vendors.

E. Contractor's Good Faith Efforts. When an opportunity for subcontracting or indirect expenditure with an M/WBE firm exists on a State Contract, ECMCC shall ensure that prime vendors employ a good faith effort to utilize M/WBE subcontractors as required under 5 NYCRR 142.8. In determining whether a Contractor has made good faith efforts to utilize M/WBE subcontractors, ECMCC shall consider, at a minimum, whether the Contractor has undertaken the following efforts:

1. Solicit certified M/WBEs and provide copies of solicitations and responses thereto upon ECMCC's request;
2. Advertise for participation of M/WBEs in appropriate general circulation, trade and minority- or women-oriented publications, and provide copies of the listing(s) and date(s) of the publication to ECMCC upon request; and
3. Undertake steps to reasonably structure the contract scope of work for the purpose of subcontracting with, or obtaining supplies from, certified M/WBEs.

F. Joint Ventures and Teaming Agreements.

Where a State Contract does not afford opportunities for subcontracting or subconsulting, potential contractors shall be encouraged to enter into joint ventures and teaming agreements with M/WBEs.

1. Joint Venture. A contractual agreement joining together two or more business enterprises, one of which is a certified M/WBE, for the purpose of performing on a State Contract. The M/WBE must provide a percentage of value added services representing an equitable interest in the joint venture. All parties to the joint venture must agree to share in the profits and losses of the business endeavor according to their percentage of equitable interest.
2. Teaming Agreement. A utilization plan arrangement between two or more business enterprises, one of which is a certified M/WBE, to perform on a specific State Contract if awarded to the team. The team itself may be a joint venture, or one of the team members may be designated to act as the prime contractor, and the other member(s) designated to act as subcontractors.
3. Information Required. In the event that a contractor responding to a solicitation is a joint venture, teaming agreement, or other similar arrangement that includes a certified M/WBE, such a contractor must submit the M/WBEs identifying information, including federal identification number and copy of certification, as well as a copy of the joint venture or teaming agreement.

G. M/WBE Utilization.

1. M/WBE Utilization Plan. With respect to procurements that are anticipated to result in the execution of a State Contract, ECMCC shall include a blank M/WBE Utilization Plan with any IFB, RFP, or proposed contract (where the contract is exempt from competition requirements set forth in GML § 103).
2. Review of Utilization Plan. ECMCC shall review and approve all M/WBE documentation (Utilization Plan, Staffing Plan, etc.), or otherwise notify the potential contractor of disapproval or deficiency of the documentation within twenty (20) business days of submission, as required by 5 NYCRR §142.4. If the Utilization Plan is not approved, the M/WBE Program Coordinator will provide the contractor with a written notice of deficiency of the Utilization Plan within twenty (20) business days of its receipt, as required under 5 NYCRR Part 142.6(c). The potential contractor must respond to the notice of deficiency by submitting to the M/WBE Compliance Coordinator a written remedy within the period of time set forth in the bid or RFP documents, as permitted by 5 NYCRR Part 142.6(e). If the written remedy submitted is found to be inadequate, the M/WBE Compliance Coordinator will notify the contractor and may request the contractor to submit a request for a waiver. If a contractor is deemed non-responsive or non-responsible by ECMCC in accordance with Section any request for waiver shall be deemed to be moot (5 NYCRR Part 142.7(a) (1) (b)).

3. Determination of Non-Responsiveness. ECMCC may disqualify a potential contractor as non-responsive (5 NYCRR §142.6(f)) to the requirements of NYS Executive Law Article 15-A upon the occurrence of any of the following:

- (i) Contractor fails to submit a M/WBE Utilization Plan in accordance with the requirements of this Policy or apply for a waiver;
- (ii) Contractor fails to submit a written remedy in response to a notice of Utilization Plan deficiency in accordance with this Policy;
- (iii) Contractor fails to submit a request for waiver upon request by ECMCC;
- (iv) Denial of a request for waiver by the M/WBE Compliance Coordinator or the Division; or
- (v) M/WBE Compliance Coordinator determines that the contractor has failed to perform good faith efforts.

H. Self-Performance. Contractors that are NYS certified M/WBEs and will self-perform all or a portion of a State Contract may count the value of the self-performed work as either MBE or WBE involvement up to the dollar value of such involvement. Contractor must also engage participation from another MBE or WBE firm of the opposite designation in order to meet the requirements of ECMCC's M/WBE Program. Example: On a contract for supplies with a 30% M/WBE goal (15% MBE and 15% WBE), ABC Company is a WBE and intends to self-perform 20% of the contract work. Company ABC may count 20% of the contract value as WBE utilization performed by Company ABC. Company ABC must still engage at least one NYS certified MBE as a subcontractor or supplier to perform at least 15% of the contract work in order to meet the M/WBE requirements of the contract.

I. Commercially Useful Function. In accordance with 5 NYCRR 140.1(f), only sums paid to M/WBEs for the performance of a commercially useful function may be applied towards the achievement of the applicable M/WBE participation goal. An M/WBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. An M/WBE does not perform a commercially useful function if its role adds no substantive value and is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of participation.

J. Contractor Reporting. The State Contract shall require contractor to submit monthly M/WBE utilization reports throughout the term of the Contract.

K. Non-Compliance. Contractors who fail to comply with the utilization percentages set forth in their approved Utilization Plan shall be subject disqualification, liquidated damages, termination of the State Contract, or other enforcement as set forth in the Contract.

L. Waivers. If a contractor or potential contractor, after engaging in good faith efforts as described within the M/WBE Regulations, is unable to achieve the M/WBE goals applicable to the RFP, IFB, or State Contract, ECMCC may permit the contractor to request a total or partial waiver of the M/WBE goals by submitting a request for waiver accompanied by documentation of good faith efforts. Within seven (7)

business days of submission, ECMCC will determine in its discretion whether the request should be approved, denied, or whether additional action should be taken by the contractor to reach the applicable goal. Contractors are responsible for preparation of all Requests for Waiver and supporting documentation, and waiver requests that do not contain sufficient documentation of Good Faith Efforts should not be approved.

M. M/WBE Discretionary Purchases. Consistent with New York Public Authorities Law Section 2879, where goods or services are available from certified M/WBEs, procurements may be made by ECMCC in amounts not exceeding \$200,000 without competitive bidding, in accordance with the March 31, 2015 resolution of the ECMCC Board of Directors (each a “Discretionary M/WBE Procurement”). ECMCC must document in the procurement record support for both the reasonableness of the price and the selection of the M/WBE vendor. Any contracts entered into as Discretionary M/WBE Procurements must include language providing for the termination of the agreement should the M/WBE lose its state certification.

1. Solicitation of discretionary quotes. When making a Discretionary Procurement, ECMCC may solicit quotes from multiple M/WBE vendors (“M/WBE Mini-Bid”). Generally, the Discretionary M/WBE Procurement should be awarded to the responsible M/WBE vendor submitting the lowest price.
2. Advertisement of Discretionary M/WBE Procurements.

Advertising requirements under NYS Economic Development Law still apply to Discretionary M/WBE Procurements. The language that should be used for advertisement of a Discretionary M/WBE Procurement is as follows for M/WBE Mini-Bids (as described below):

“ECMCC intends to procure [insert project description, i.e. 1,000 widgets] pursuant to its discretionary purchasing authority under New York Public Authorities Law section 2879. This procurement opportunity is limited to New York State businesses certified pursuant to Article 15-A of the New York State Executive Law.”

If this is not intended as an M/WBE Mini-Bid, the following language shall be used:

“ECMCC intends to procure [insert project description, e.g. 1,000 widgets] as a discretionary spend pursuant to its purchasing authority under New York Public Authorities Law section 2879. ECMCC will procure these services or goods from a New York State businesses certified pursuant to Article 15-A of the New York State Executive Law. This is not a bid opportunity. Please do not contact ECMCC requesting bid information.”

3. Negotiation of Procurement Price. When an M/WBE submits a quote for a commodity or service in a Discretionary M/WBE Procurement (not exceeding \$200,000) and the quote is deemed high, ECMCC should engage in direct negotiation with the M/WBE vendor in an attempt to reach

reasonableness of price. This step is not permitted for a competitive procurement.

4. Reasonableness of Price. ECMCC must document in the procurement record the “reasonableness of price” for any Discretionary M/WBE Procurement. Generally, reasonableness of price can be determined by: (1) Comparing the quoted price with the price for the same or similar services purchased within the last six months; (2) Comparing the price with other quoted prices; (3) Comparing the quoted price with prices in various procurement publications; (4) Reviewing the type of work that was previously accepted by ECMCC at a similar price; or (5) Comparing the price of the product or service with the current market value of the same product or service.
5. Justification for the Selection of M/WBE Vendor. ECMCC must document justification for the selection of the M/WBE vendor in the procurement record. Selection may be supported by: (1) demonstrating reasonableness of cost; (2) showing enhanced or best value provided by the vendor; (3) (if applicable) noting the vendor is a NYS small business; and (4) identifying the vendor as an M/WBE (this cannot be the sole justification).

N. Consideration of Diversity Practices.

1. Generally. ECMCC may consider potential contractors’ “Diversity Practices” in awarding contracts in excess of \$250,000 that are not subject to formal competitive bidding, and are awarded on the basis of best value. With respect to such contracts awarded through the RFP process and anticipated to be in excess of \$250,000, prior to issuing the RFP, ECMCC shall determine whether it is practical, feasible and appropriate to include Diversity Practices in the evaluation. If ECMCC makes a determination that the evaluation of Diversity Practices is not practicable, feasible, or appropriate for service contracts, such determination shall be supported in writing in the procurement record.
2. Diversity Practices. A contractor's “diversity practices” are its past, present, and prospective practices and policies with respect to: (a) utilizing certified M/WBEs in contracts awarded by New York State agencies, other public entities or private sector companies, as subcontractors and suppliers; and (b) entering into partnerships, joint ventures or other similar arrangements with certified M/WBEs as defined in this part or other applicable federal, state, or local statutes or regulations, or certified by the certifying entities recognized by the Division governing an entity's utilization of minority or women-owned business enterprises, and (c) any other information requested by that demonstrates the contractor's commitment to a policy of diversity practices related to M/WBEs.
3. Determination of Practicality or Feasibility. A determination by ECMCC as to whether it is practical, feasible and appropriate to assess the diversity practices of all prime contractors making such submissions shall include consideration of the: (1) nature of the labor, services, supplies, equipment and materials being procured; (2) method of procurement undertaken to make the award; (3) certified M/WBE utilization plans required by ECMCC;

and (4) availability of certified M/WBEs in the region in which the contract is to be performed.

4. Diversity Practice Submissions. Where ECMCC determines with respect to a particular contract that Diversity Practices will be considered in awarding the Contract, ECMCC shall require all potential contractors to complete and submit a Diversity Questionnaire and shall consider the potential contractors' Diversity Practices as a factor in making a determination regarding contract award.

CREDENTIALS COMMITTEE MEETING MINUTES

Committee Members Present:

Yogesh Bakhai, MD (Chair)
Samuel Cloud, DO
Robert Glover, Jr., MD
Richard Hall, MD, DDS, PhD
Susan Ksiazek, RPh

Mark LiVecchi, MD, DMD, MBA
Brian Murray, MD, CMO (ex-officio)
Mandip Panesar, MD
Richard Skomra, CRNA

Medical-Dental Staff Office and Administrative Members Present:

Tara Boone, Medical-Dental Staff Services Coordinator; Judy Fenski, Kerry Lock, Credentialing Specialists

CALL TO ORDER

The meeting was called to order at 3:01 pm. The Medical Executive Committee endorsed and the Board of Directors approved the December 2017 and January 2018 Credentials Committee meeting minutes, including the recommendation for the one-time 4 year extension to achieve Board Certification for the member of the Medical-Dental Staff referenced in the January 2018 Credentials Committee meeting minutes.

The Committee was informed of changes to the Chief of Service roster effective this month: Dr. Cantie, Anesthesiology and Dr. Picone, Thoracic/Cardiovascular Surgery. The Medical-Dental Staff Office has oriented Dr. Cantie to credentialing responsibilities; will coordinate the same for Dr. Picone, as well as orientation to the FPPE process.

**FOR
INFORMATION**

ADMINISTRATIVE

The Credentials Committee was made aware of recent resignations, application withdrawals, leave requests or conclusions and presents the following names to the Executive Committee for information.

- A. Deceased – none
- B. Applications Withdrawn – Samreen Kaur, NP – Family Medicine/Family Choice-TerraceView
- C. Application Processing Cessation – none
- D. Automatic Processing Conclusion – (inactive applications > 180 days from date of signature) – none
- E. Resignations
 - Anesthesiology**
Klenk, Scott CRNA 01/05/2018
 - Internal Medicine**
Kothari, Nirmal MD 01/10/2018

**FOR
INFORMATION**

CHANGE IN STAFF CATEGORY

Family Medicine

Ramadan, Fadi MD

Active to C, R & F

Internal Medicine

Curtis, Anne MD

Active to C, R & F

**FOR
OVERALL
ACTION**

DEPARTMENT CHANGE or ADDITION

None

CHANGE OR ADDITION OF COLLABORATING/SUPERVISING ATTENDING

Cardiothoracic Surgery

Zynda, Marcella ANP

From Carlson, Russell MD to Picone, Anthony MD

Neurology

Smith, Audrey, PA-C

From Ferguson Richard, MD to Glover, Robert L. MD

**FOR OVERALL
ACTION**

PRIVILEGE ADDITION/REVISION

Family Medicine

Lugo, Robert MD

Active

- COMPLEX management of substance: Intoxication and withdrawal
- COMPLEX treatment modalities for: Individual and Group

Venuto, Lisa PA-C*

Allied Health

Professional

Supervising Physician: Dr. Azadfard

- Obtaining samples for culture of blood, throat, blood, sputum or skin cultures.
- Simple suturing and suture removal as per protocol.

**Waive FPPE, as these represent existing privileges under a revised Wound Care section*

FOR OVERALL ACTION

PRIVILEGE WITHDRAWAL

Surgery

Chopko, Michael MD

Hyperbaric Oxygen Therapy

FOR INFORMATION

UNACCREDITED FELLOWSHIPS

The Credentials Committee was updated that upon diligent follow up of the Medical-Dental Staff Office, it was confirmed that the second of the two recruited UB Neurosurgery fellows did not begin the program, but reported as terminated by the practice plan. It was suggested that the CMO Office forward the Fellowships, Unaccredited Policy and Procedure to the two practice plans with active programs to reinforce their credentialing, administrative and reporting responsibilities.

**FOR
INFORMATION**

APPOINTMENT APPLICATIONS, recommended- comments as indicated

Initial Applications (13)

Anesthesiology

Roth, Lindsey CRNA

Allied Health Professional

Internal Medicine

Bhat, Seema MD

Active

Gruarin, Scott DO

Active

Kataria, Ashish MBBS

Active

Neurology – Telemedicine

Vega-Bermudez, Francisco

Active

Pathology

Petras, Melissa MD

Active

Plastic and Reconstructive Surgery*

Hughes, Christopher MBBS

Active

*Board status to be reviewed by the Chief of Service at the February Medical Executive Committee meeting for deliberation and recommendation

Radiology – Teleradiology

Blunck, Joshua DO

Active

Haimes, Alison MD

Active

Rickman, Christopher MD

Active

Rehabilitation Medicine

Maloney, Quinn NP

Allied Health Professional

Collaborating Physician: LiVecchi, Mark MD, DMD, MBA

Thoracic/Cardiovascular Surgery**

Nwogu, Chukwumere, MD

Active

Yendamuri, Sai MD

Active

** Issues regarding current DEA status and fee request deemed contractual in nature and have already been referred to contracting; CMO to follow up

Dual Department Appointment Initial Applications (0)

FOR

OVERALL ACTION

REAPPOINTMENT APPLICATIONS, recommended – comments as indicated

Reappointment Review (27)

Emergency Medicine

Busse, Donald PA-C

Allied Health Professional

Supervising Physician: Bart, Joseph DO

Schultz, Alexandria PA-C

Allied Health Professional

Supervising Physician: Pugh, Jennifer MD

Family Medicine

Lugo, Robert MD

Active

Professional	Malik, Sarah MD	Active	
	Rejewski, Cheryl ANP	Allied	Health
Follow	<i>Collaborating Physician: Evans, Stephen MD</i>		
	Singh, Ranjit MD	Active	
Follow	<u>Internal Medicine</u>		
	Addagatla, Sujatha MD	Courtesy, Refer &	
Follow	Brown, Mary Ellen FNP	Allied Health Professional	
	<i>Collaborating Physician: Sadiq, Riffat MD</i>		
Follow	Curtis, Anne MD	Courtesy, Refer &	
	Farry, James MD	Active	
Professional	Maloney, Michael PA-C	Allied	Health
	<i>Supervising Physician: Tadakamalla, Ashvin MD</i>		
Follow	Matthews, George MD	Courtesy, Refer &	
	Orlick, Arthur MD	Active	
Professional	Parikh, Sandhyaben PA-C	Allied	Health
	<i>Supervising Physician: Azadfard, Mohammadreza MD</i>		
Professional	<u>Neurology</u>		
	Smith, Audrey PA-C	Allied	Health
Professional	<i>Supervising Physician: Glover, Robert L. MD</i>		
	<u>Orthopaedic Surgery</u>		
Professional	Callahan, John MD	Active	
	Gill, Elise PA-C	Allied	Health
Follow	<i>Supervising Physician: Violante, Nicholas MD</i>		
	Marzo John MD	Courtesy, Refer &	
Follow	Rohrbacher, Bernhard MD	Active	
	<u>Pathology</u>		
Professional	Mojica, Wilfrido MD	Active	
	Nakhla, Hassan MD	Active	
Professional	<u>Psychiatry & Behavioral Health</u>		
	Conboy, Sarah NP	Allied	Health
Professional	<i>Collaborating Physician: Brooks, Victoria MD</i>		
	<u>Radiology – Teleradiology</u>		
Professional	Engbretson, Jon MD	Active	
	Goni, Michelle MD	Active	
Professional	<u>Surgery</u>		
	Chopko, Michael MD	Active	

Kordasiewicz, Lynn ANP	Allied	Health
Professional		
<i>Collaborating Physician: Flynn, William MD</i>		
Shatkin, Samuel MD	Associate	

Dual Department Reappointment Applications (1)

Family Medicine

Anand, Dimple FNP	Allied	Health
Professional		
<i>Collaborating Physician: Ohira, Masashi MD</i>		

Internal Medicine

Anand, Dimple FNP	Allied	Health
Professional		
<i>Collaborating Physician: Sandhu, Jujhar MD</i>		

FOR OVERALL ACTION

PROVISIONAL APPOINTMENT REVIEW, recommended

The following members of the Provisional Staff from the previous year period are presented for movement to the Permanent Staff on the date indicated.

Provisional to Permanent Staff

Provisional Period Expires

02/28/2018

Internal Medicine

Dodd, Hema MD	Active
Duane, Shirley FNP	Allied Health
Professional	
<i>Collaborating Physician: Troen, Bruce MD</i>	
Vaidyanathan, Gayatri MD	Active
Wagner, Jenia MD	Courtesy, Refer and
Follow	

Radiology

Shaffrey, Julie MD	Active
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Surgery

Train, William MD	Active
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The future April 2018 Provisional to Permanent Staff list will be compiled for Chief of Service for review and endorsement.

FOR OVERALL ACTION

AUTOMATIC CONCLUSION, Reappointment Expiration, FIRST NOTICE

None

AUTOMATIC CONCLUSION, Reappointment Expiration, SECOND NOTICE

Ophthalmology

Pfohl, George MD	Courtesy, Refer &
Follow	

Psychiatry & Behavioral Medicine

Tan, Alfonso MD
Follow

Courtesy Refer and

FOR OVERALL ACTION

AUTOMATIC CONCLUSION, Reappointment Expiration, FINAL NOTICE

Psychiatry

Kreeger, Joy MD
Follow

Courtesy, Refer &

FOR OVERALL ACTION

OLD BUSINESS

Office Operations

The Credentials Committee was provided a staffing and department activity update. Since last report, progress has been made addressing some of the outstanding software issues resulting from the 2017 cyber-attack. The support and assistance of the IT staff is greatly appreciated.

Privilege Forms

Susan Ksiazek presented a preliminary draft of an updated Core Privilege listing for First Assist. The Credentials Committee endorsed proceeding with a final draft upon review of all surgical chiefs of service.

Temporary Privileges

The temporary privileges tracker was reviewed for the committee, noting the privileges granted since the last meeting. The quality control checks confirmed that all were executed in full compliance with policy and Joint Commission standards.

**FOR
OVERALL ACTION**

NEW BUSINESS

Joint Commission

Now in effect: Change to requirements for credentialing, privileging of independent pathologists

The Joint Commission is no longer requiring hospitals, critical access hospitals or ambulatory care organizations to credential and privilege pathologists who provide diagnostic services through a reference (contract) laboratory. This change is effective immediately.

A reference laboratory is a laboratory contracted for testing that is owned and operated by an organization other than the organization referring the testing.



<i>The Joint Commission (TJC)</i>				
<p>The Joint Commission is no longer requiring hospitals, critical access hospitals, ambulatory care organizations to credential and privilege pathologists who provide diagnostic services through a reference (contract) laboratory.</p> <p>A reference laboratory is a laboratory contracted for testing that is owned and operated by an organization other than the organization referring the testing.</p> <p>https://www.jointcommission.org/issues/article.aspx?Article=pCs9emPikpSQRVoE0e18siu8HL8Lc1kUIAx%2fL4k%3d&j=3560173&e=nwebb@vha.com&l=94_HTMl=117296470&mid=1064717&jb=3</p> <p>Recommendations: Review and revise credentialing procedures for pathologists who provide services through a reference lab. Provide information to credentialing committee and medical leaders that oversee pathologists.</p>	Medical office/ medical leaders	Change to requirements for credentialing and privileging of independent pathologists	Jan 3, 2018	

Susan Ksiazek has referred the above change in requirement to the Chief Safety Officer/Joint Commission Coordinator for evaluation of whether this can be interpreted to apply to the KH/UB Pathology contracted services, and with the exception of the Pathology Chief of Service and Medical Directors of the Blood Bank, impact the ECMC credentialing procedures moving forward.

Board Certification Tracking

Tara Boone reviewed the due diligence of the Medical-Dental Staff Office in alerting physicians of upcoming board certification expirations and four year windows for board eligible physicians to achieve board certification. One department is noted to have an increasing number of expirations. It has been respectfully requested that the clerical staff of the practice plan assist their physicians with ensuring all Bylaw requirements are maintained.

FOR INFORMATION

OPEN ISSUES

Board Certification

A physician granted a one-time four year extension by the Medical Executive Committee in 2015 has yet to achieve board certification. The physician is scheduled to take the exam again 9/24/18, with the 4 year extension expiring 9/15/19. The Chief of Service is aware.

Licensure

The Credentials Committee was made aware of a physician on the last renewal of his limited NYS medical permit, which expires 10/30/18. The physician is also not board certified due to limited permit status. Per the Chief of Service, the practice plan is aware.

OPMC Required Monitoring

The Medical-Dental Staff has received the requested documents and will work with the practice plan to continue to receive copies for the duration of the probation.

Competency Assessment Documentation

Per the practice plan, a competency assessment form for the AHP MICU training program is forthcoming. It has been requested that the form correlate with ICU privileges, allowing the training and assessment to satisfy FPPE.

Expireables

=The MDSO continues to await direction from the CSO regarding the Mandated Reporter requirements from the Justice Center; requests made monthly to facilitate closure and compliance.

=The issue of a PPD outstanding since April 2017 will be referred by the Chief of Service to the practice plan for action and still not resolved. The issue has been escalated to the CMO for follow up.

Onboarding Tool

No Update; the tool now can no longer be accessed from the Medical-Dental Staff Office page, limiting its use by those outside of the MDSO. The disruption this has caused to new provider on-boarding was discussed with the committee and administrative support again requested. Since last report, a new on-boarding initiative has been charged from the COO Office to the Vice President of Ambulatory Services and Population Health. Kerry Lock, Appointment Specialist, will represent the MDSO on a newly formed committee. The CMO will request to be included. Sue Ksiazek is optimistic that now with Executive Leadership involvement, the outstanding systems issues will be addressed.

FOR

INFORMATION

OTHER BUSINESS

FPPE-OPPE Report (included in the consent calendar of the Medical-Executive Committee)

Susan Ksiazek requested that a task force be developed to address the systems issues impacting on compliance with Joint Commission standards for FPPE and OPPE. The matter has been taken under consideration and members of the Credentials Committee volunteered to participate.

FPPE (Focused Professional Practice Evaluation)

No report

OPPE (Ongoing Professional Practice Evaluation)

Jan-18
Ortho
Plastics
Pathology
Ophthalmology
Anesthesia
Surgery
Family Medicine
Total

FOR INFORMATION

ADJOURNMENT

With no other business, a motion to adjourn was received and carried at 3:54 PM.

Respectfully submitted,

A handwritten signature in red ink, appearing to read 'Yogesh Bakhai', written in a cursive style.

Yogesh Bakhai, MD