

Dormitory Authority of the State of New York (DASNY)
Fiscal Year Ended March 31, 2012 (FY 11-12)
Operations and Accomplishments

Mission Statement

We commit to deliver exceptional service and professional expertise on every financing and construction project for our clients and the public, in a cost-effective manner, while advancing the policy goals of New York State. (Revised FY 11-12).

Executive Leadership

During FY 11-12, several important management initiatives were accomplished by DASNY:

- **Operating Budget**

DASNY continues to take steps to reduce operating costs and expenses, given the fiscal challenges facing New York State, while maintaining a professional staff capable of executing its mission and serving the public interest.

On March 28, 2012, the DASNY Board approved the Authority's 2012-13 operating budget, which includes a reduction of 1% in total spending compared to the adopted 2011-12 budget. Internal operating expenditures decreased 2.58%, or \$2.1 million, and salaries were reduced by 3.3%, or \$1.6 million.

- **Amended Fee Structure**

In March 2012, the DASNY Board adopted a resolution to amend the fee structure that DASNY uses to bill clients for its bond issuance and bond administration services. After an extensive internal review of the revenues and operating expenses associated with this area of DASNY's business, modifications were made to the fees that DASNY charges for the on-going administration of bonds in its portfolio. In an effort to align revenues in this area with the staff effort required, the administrative fee has been increased for the first three years after the delivery of the bonds, and has been decreased for the remaining life of the bond issue. During the first three years, DASNY staff effort is significantly higher, as there is usually increased account activity as the bond proceeds are being utilized for their intended purpose. After the first few years, DASNY staff effort is often reduced, and requires less reconciliation and client interaction.

DASNY also found that the administration of variable rate debt is more labor intensive than fixed rate debt, and has differentiated the administrative fees for each type of debt accordingly.

The revised fee structure sets an annual maximum on the administrative fees that one client will pay. Going forward, no single client will pay over \$600,000 in annual administrative fees, regardless of how much outstanding debt they have with DASNY.

- **Project Labor Agreement (PLA)**

DASNY has finalized an agreement with the Building and Construction Trades Council regarding model Project Labor Agreements (new construction and renovation projects) that would govern DASNY construction projects for State and other governmental entities in the five boroughs of the City of New York, provided the client requests a PLA and savings are expected from use of a PLA. The DASNY Board approved the agreement at their meeting on January 25, 2012. Roll out with DASNY clients is occurring and will continue with other stakeholders in the NYC construction industry. The PLA is reflective of Governor Andrew M. Cuomo's policy of reducing the cost of government, as PLA projects will lower the cost of construction. It will also promote the Governor's policy to increase opportunity for MWBE firms in state contracting. In addition to changing certain work rules to reduce the cost of projects covered by the PLA, there are particular areas where the DASNY-model PLA breaks new ground. There are provisions pertaining to MWBE utilization, workforce mobility, job site referrals for local workers, and recoupment of benefit payments on behalf of non-union labor.

In addition to including the same basic terms that were included in the PLA negotiated for the Bronx Psychiatric Center project and other terms necessary to reduce the cost of the covered projects, the new PLAs include changes that promote other important public interests of DASNY and the State:

- **Bring-Along**

The DASNY model PLA incorporates a 'bring along' clause that contains two tiers for MWBE firms, one for sub-contractors and one for prime contractors. This approach addresses the major complaint of MWBE firms regarding earlier PLAs, mainly that they were unable to include their most trusted employee as foreman for the job (or the first hire). Also, of their first 8 employees, MWBEs will be assured of being able to hire 50% from their existing workforce.

- **Local Hiring**

Requires signatory unions, absent any contrary federal requirements, to give preference to union employees residing in the vicinity of the project.

- **Supplemental Benefits**

Under the terms of a PLA, a firm must pay union scale (or prevailing wage) and benefits, which are paid as a separate payment into a union benefit fund on behalf of employees on the job. Historically, when a non-union worker ceased employment he or she had no recourse to benefit funds collected on their behalf. Under the DASNY model PLA, non-union workers that remain unaffiliated with any local union at the completion of their employment on a PLA project may apply for any distributions to which he or she may be entitled from the benefit fund.

- **Full Mobility**

Provides for workforce mobility. Under its terms, employees affiliated with a local union working for a certified MWBE non-union contractor on a DASNY PLA project may be requested by the MWBE contractor by name to transfer to any other DASNY PLA project. This means that a MWBE firm which develops a good working relationship with union talent on one project may request those same employees by name on another PLA project.

We believe that the successful conclusion of these negotiations will provide an unprecedented opportunity to bring a wide, but disparate, audience of stakeholders together to support and advance this novel approach by DASNY. These groups would include: Labor; the Construction Industry; the MWBE Advocacy Sector and Government.

- **Records Retention Project**

DASNY continues its Records Retention project. A number of records retention schedules were approved by State Archives and Records Administration during the reporting period with more in progress. Certain documents have been scanned and indexed for retrieval. Multiple business units retrieve these documents in a fraction of the time and at a fraction of the cost of the retrieval of paper. Scanning is being done, in part, by clients of the New York State Industry for the Disabled. DASNY scanned over 1 million images in FY 11-12.

Corporate Governance

The Public Authorities Accountability Act of 2005, together with the Public Authorities Reform Act of 2009, imposed numerous compliance and reporting responsibilities upon State public authorities. DASNY is in compliance with all material provisions of these laws and continues to review and evaluate policies and procedures to determine if process and reporting procedures may be improved.

The Public Authorities Reform Act requires each State authority to adopt a mission statement and performance measurements and to review them on an annual basis. During FY 11-12 DASNY underwent a thorough review process and updated its mission statement. Additionally, DASNY established clearly defined performance goals and metrics aligned with the new mission statement.

Legislative and Regulatory Matters

The following are highlights of authorizing legislation and other legislation affecting DASNY that was passed during FY 11-12 or shortly thereafter.

- **NY Works**

DASNY is now authorized to enter into an agreement to provide design and construction project management for the Department of Environmental Conservation and the Office of

Parks, Recreation, and Historic Preservation, for one year until March 2013. Specifically, the services must be provided pursuant to a written agreement which includes the scope of the design and construction management services to be provided by DASNY, the manner in which those services will be provided, the fees to be charged by DASNY, and the sources of funds for the projects. Under this authorization, DASNY is prohibited from awarding design-build contracts.

- **New York Works Task Force**

The New York Works Task Force was created to advise on coordinating the capital plans of New York State agencies and authorities, including leveraging and accelerating funding streams and financing mechanisms to enhance infrastructure investment throughout New York State. The Task Force must establish an Implementation Council which includes the Presidents of certain public authorities, (including DASNY), the Governor's Director of State Operations, the Director of the Budget and others that may help facilitate the work of the Task Force.

- **HECap**

The 2012-13 New York State Operating Budget authorizes extension of the \$150 million HECap Matching Grant Program for one year to March 31, 2013. The law also:

- Extends until September 1, 2012, the deadline for applications for grants from unused funds, and the date by which the Board must act on each application to November 1, 2012;
- Extends the authorization of the Director of the Budget, to enter into one or more service contracts, none of which shall exceed 30 years in duration, with DASNY from March 31, 2012 until March 31, 2014; and
- Extends the date by which any eligible institution receiving a grant must report to DASNY on the use of funding and its programmatic and economic impact to June 2013; and extends the date by which DASNY must submit a report (no later than November 1, 2013) to the Board, the Governor, the Budget Director, the Temporary President of the Senate, and the Assembly Speaker on the aggregate impact of the HECap Program.

The following legislation was passed as part of the 2012-2013 New York State Operating Budget:

- **Subsidiaries**

DASNY's authority to establish subsidiaries for the purpose of limiting potential liability of DASNY when exercising its powers and duties in pursuit of remedies against a borrower that has defaulted was extended. The language limits the authority to create subsidiaries to those situations involving the exercise of remedies by DASNY against entities regulated under Public Health Law Article 28 only (e.g., hospitals, nursing homes, residential health care facilities).

- **MTA Financing**

DASNY and certain other public benefit corporations became authorized to issue bonds or notes in one or more series for the purpose of assisting the Metropolitan Transportation Authority in the financing of transportation facilities (as defined in Public Authorities Law § 1261(17)). The aggregate principal amount of bonds authorized to be issued pursuant to this law cannot exceed \$770 million.

- **Peace Bridge Projects**

A new section was added to the Public Authorities Law, § 386, to authorize DASNY and certain other public authorities to issue bonds for the purpose of financing Peace Bridge Projects. The aggregate principal amount of such bonds cannot exceed \$15 million.

- **Bond Caps**

Various DASNY bond caps were increased as follows:

- Library facilities from \$84 million to \$98 million;
- Upstate community colleges from \$536 million to \$623 million; and,
- SUNY educational facilities from \$10.1 billion to \$10.3 billion.

Public Finance

- **Bond Financings**

DASNY delivered over \$5.02 billion par value of bonds and notes during FY 11-12, ending with an outstanding bond portfolio of approximately \$44.5 billion. Of the total bonds outstanding, 57.8% are on behalf of public programs (such as State-supported debt and school districts), 24.2% are on behalf of independent higher education institutions and other not-for-profits, and 17.8% are for independent health care. Additionally, three bond reofferings/conversions comprised of four series of bonds, totaling \$170.9 million were sold during FY 11-12.

During FY11-12, 75.4 % of the total par value of bonds delivered by DASNY was for its public clients, such as the State University of New York (SUNY), The City University of New York (CUNY), other State agencies and School Districts. DASNY delivered a total of \$3.8 billion of bonds in FY 11-12 for its public clients. The largest public client bond issues included: Four issues of State Personal Income Tax Revenue Bonds for various programs and clients totaling \$2.1 billion; \$838.1 million for State University of New York Educational Facilities Program; and \$461.7 million for two New York State Public School Districts issues.

DASNY also delivered a total of \$1.2 billion of bonds in FY 11-12 for its independent, private-sector clients. The largest issues on behalf of private-sector clients included: \$392.2 million for the North Shore Long Island Jewish Medical Center; \$351.8 million for two separate Memorial Sloan Kettering Cancer Center issues; and \$146.6 million for Fordham University.

- **Tax-Exempt Equipment Leasing Program (TELP)**

DASNY's Tax-Exempt Equipment Leasing Program (TELP) is one of the largest of its kind in the nation. During FY 11-12, DASNY executed \$289.5 million in 21 leases for DASNY's customers' telecommunication, information technology, diagnostic, and other medical equipment needs. Since the program's inception, DASNY has helped clients secure 409 leases to finance more than \$2.6 billion in equipment including MRIs, CT scanners, computer systems, energy efficiency and other high-tech equipment.

Public Finance Initiatives

- **Single Approval Financings**

At the January 26, 2011 meeting, the DASNY Board approved a proposal to allow the financings of highly-rated frequent borrowers to be considered by the Board at one meeting rather than require a two meeting review process. This process will enable DASNY to respond to borrowers' desire for more timely market access while also ensuring that the staff undertakes the same level of due diligence and the Board is provided with the same amount of information necessary to make decisions and to enable the Board to fulfill its fiduciary duties under the Authority Reform Act. In FY 11-12, DASNY executed four single approval financings with private clients under this process totaling \$809,380,000. Those private not-for-profit clients were: Memorial Sloan Kettering Cancer Center (\$262.2 million & \$89.5 million); Mt. Sinai Hospital: \$65.4 million); and North Shore Long Island Jewish Obligated Group (\$392.2 million).

Financial Services Request for Proposals (RFP)

- **Underwriter RFP**

DASNY issued its Underwriter RFP on December 20, 2011. DASNY received 52 responses. Based upon the written proposals and selected oral interviews, the selection committee recommended a management team comprised of 16 Senior Managers including five MWBE firms, 21 Co-Managers including five MWBE firms, and 15 Selling Group Members. DASNY also received seven additional requests to serve as Selling Group Members while the RFP was underway. It is DASNY's policy to accept these Selling Group applications at any time based on registration requirements. DASNY has included these seven firms on the approved list resulting in 22 Selling Group Members including 11 MWBE firms. The DASNY Board approved the underwriter panel on March 28, 2012. Since that time two of the Senior Manager firms merged into one firm.

- **Financial Advisor/SWAP Advisor RFP**

DASNY issued a Financial Advisor/SWAP Advisor RFP in May 2011. DASNY selected four Financial Advisor firms including one MWBE firm. The Board approved the Financial Advisor panel on July 27, 2012. DASNY selected four SWAP Advisors firms including one MWBE firm. The Board approved the SWAP Advisor panel on September 21, 2011.

- **Health Care Management RFP**

DASNY issued a Health Care Management Consultant RFP on January 27, 2012. DASNY periodically requests health care consulting firms to provide qualifications for review by DASNY staff, and those deemed qualified are empanelled and are eligible to be called upon by clients that are experiencing financial or management difficulties or by DASNY itself. A total of 21 responses were received; of those, one was not considered as it was incomplete and did not conform to the requirements of the RFP. Sixteen firms were approved by the DASNY Board at its March 28, 2012 meeting. One of these firms is a MWBE firm and two are joint ventures including MWBE firms.

- **Broker/Dealer RFP**

As a result of an RFP process, DASNY empanelled 13 Broker/Dealer firms from which it will then seek bids for the purpose of buying and selling securities. The procurement adhered to the Best Practices adopted by the MWBE Executive Order No. 10 Task Force thereby maximizing the opportunity for participation by qualified MWBE firms. As a result, eight of the 13 firms empanelled are MWBE qualified. The DASNY Board approved the Broker /Dealer panel on September 21, 2011.

Construction

At the close of FY 11-12, DASNY had a total construction workload of 763 projects valued at over \$6 billion. Expenditures on projects for which DASNY provided services during the fiscal year totaled \$990.2 million.

Projects in the pipeline as of March 31, 2012 are summarized in the table below:

Type of DASNY Service	Number of Projects	Total Value of Projects
Full and modified, (all phases)	763	\$ 6,103,761,782
Preliminary phase	310	\$ 986,757,309
Design phase	253	\$ 1,272,743,309
Construction phase	200	\$ 3,844,261,164
Full Service Projects >\$5 million	83	\$ 4,337,739,424

Major DASNY-managed projects completed FY 11-12 include:

- **At the City College of New York**, the upgrade and expansion of the North Campus central plant, elevator renovations and repair of the façade at Marshak Hall (\$60.4 million); **NYC Health & Hospitals Corporation**, upgrade and expand existing emergency power systems in various facilities (\$100.9 million);
- **Creedmoor Psychiatric Center**, construct new centralized heating and chiller plant to serve the consolidated campus (\$15 million);
- **Fashion Institute of Technology**, renovation of 4th, 5th and 6th floors of Building A for lab and office space (\$37 million);
- **State University of New York College at Brockport**, renovations to MacVicar Hall (\$11.8 million);

- **State University of New York College at New Paltz**, renovations to Crispell Hall (\$12.3 million);
- **Binghamton University**, demolition, site work, three new residence halls, and a collegiate center and dining hall in the East Campus Housing Complex project (\$119.7 million);
- **SUNY Institute of Technology at Utica/Rome**, construction of a new 250-bed residence hall (\$19.5 million); Completed projects in programs where DASNY has various levels of oversight;
- **Homeless Housing Assistance Corporation (HHAC)**, seven renovations and/or new construction projects at homeless housing facilities in the following counties: Albany, Bronx, Kings, Monroe, and New York (\$149.8 million);
- **Office of Alcoholism & Substance Abuse Services (OASAS)**, two projects at substance abuse treatment facilities, including an outpatient program at Hudson Mohawk Recovery Center and interior renovations for New York Therapeutic Communities (\$14.6 million).

Major ongoing DASNY-managed projects include:

- **Borough of Manhattan Community College**, replacement of the original Fiterman Hall (\$325.0 million);
- **City College of New York**, a new CUNY Advanced Science Research Center and CCNY Science Facility(\$705.8 million);
- **John Jay College of Criminal Justice**, expansion project (\$587.3 million);
- **Lehman College**, a new science facility (\$68.5 million);
- **Harlem Hospital Center**, a major modernization (\$264.4 million);
- **Gouverneur Healthcare Services**, new construction and renovations (\$207.1 million);**Jacobi Medical Center**, modernization projects (\$54.4 million);
- **Bronx Mental Health Redevelopment project at the Bronx Psychiatric Center**, major reconstruction of campus facilities (\$348.8 million);
- **Staten Island Courthouse**, a new court facility (\$208.2 million);
- **Bronx Family/Criminal Courthouse**, interior renovations (\$49.2 million);
- **Bronx Civil/Civil Supreme Court**, interior renovations (\$36.6 million);
- **University at Albany**, new 500-bed residence hall (\$69.8 million);
- **Binghamton University**, four new residence halls, the final phase of the East Campus housing project, (\$155.4 million);
- **Bronx Community College**, North Instructional Building, (\$102.3 million);
- New sprinkler system at New York City Health and Hospital Corporation's **Coler Hospital** (\$30.4 million);
- **SUNY Fredonia**, new townhouses (\$24 million);
- **SUNY at Oneonta**, new townhouses (\$24 million);
- **SUNY at Cortland**, a 220-bed residence hall project (\$22.9 million)

New projects added to DASNY's construction pipeline during FY 11-12 include:

- **Bernard M. Baruch College**, various projects: energy and controls upgrades, ADA upgrades, flooring and elevator modernization at various buildings (\$16.2 million);
- **Medgar Evers College**, various projects in the Carroll St. building, including design for future building upgrades, fire alarm, emergency lighting and keying systems replacement, , and the Bedford Library expansion (Approximately \$28.6 million);
- **Coler Hospital**, window replacement in buildings "A" and "C"; façade and roof rehabilitation project for building "A" on the Coler campus (\$14.8 million).
- **State University of New York at New Paltz**, renovation of LeFevre Hall and a new 200-bed residence hall (\$32.2 million);
- **Stony Brook University**, new parking projects and upgrades to existing infrastructure at the East Campus (\$17 million);
- **University at Albany**, rehabilitation of the 24-story Mohawk Tower on Indian Quad, and replace the roof at Dutch Quad (\$34.2 million);

New projects in programs where DASNY has various levels of oversight:

- **Homeless Housing Assistance Corporation (HHAC)**, ten projects for new construction and renovation at homeless housing facilities in the following counties: Albany, Bronx, Cattaraugus, Monroe, Onondaga, Ontario, Richmond and Suffolk (\$64.9 million);
- **Office of Alcoholism and Substance Abuse Services (OASAS)**, renovations and new construction for seven projects in five counties (\$42.2 million);
- **SUNY Community Colleges**, ten projects at Columbia-Greene, Nassau, Niagara, Orange, Suffolk, and Westchester Community Colleges (\$48 million).

Construction Developments

- **NY Works**
As a result of the State Operating Budget passed in March 2012, DASNY is now authorized provide construction services for the Department of Environmental Conservation and the Office of Parks, Recreation and Historic Preservation. DASNY will provide design and construction oversight services for OPRHP, and will hold the design and construction contracts for DEC projects.
- **Department of Health Certificate of Need (CON) Reviews**
DASNY has executed a Memorandum of Understanding (MOU) with the Department of Health to provide design review services to support the Certificate of Need process for medical facilities' capital projects. Reviews are ongoing for several clients.
- **OPWDD Community Minor Maintenance Pilot**

DASNY is continuing with the OPWDD pilot program whereby maintenance at community residences is managed by DASNY. DASNY now has projects in community residences across the four original pilot regions (Bronx, Capital District, Long Island, and Western NY). OPWDD has requested DASNY continue with the program for fiscal year 2012–13, and has added two new regions: Central NY and Hudson Valley.

- **Consultant Site Safety Initiatives**

DASNY's site safety consultants were deployed to DASNY's capital projects throughout FY 11-12. During calendar 2011, they completed 273 site safety surveys and provided information to contractors and DASNY staff which will enhance the safety of DASNY construction sites.

Minority and Women-Owned Business Enterprise (MWBE) Initiatives

- **New York State MWBE Team**

Pursuant to Executive Order No. 8, Governor Cuomo formed a new MWBE Task Force with the specific mission of identifying and eliminating any barriers to effective implementation of the 2010 Business Diversification Act, which established Statewide goals for MWBE utilization and called for more stringent compliance with Article 15-A of the Executive Law. On April 14, 2011, the Task Force, which is chaired by Battery Park City Authority Chairman Bill Thompson had its second meeting. An action plan was presented, which contained six specific areas of focus, including Information Technology & Development. Since the DASNY model of compliance will be the starting point for the development of an enterprise-wide technology solution for contract compliance, DASNY President Paul T. Williams, Jr. was asked to chair the Information & Technology Development subcommittee. Work commenced on the creation of a statewide technology solution for MWBE certification, contract compliance, monitoring and outreach. A firm has been selected to develop and deploy the solution pursuant to a Request for Proposals. There was a live demonstration of the system's functionality during a webinar in March of 2012, and it showed that all of the State's requirements for the service should be fully met. It is expected that DASNY will be one of the first entities to connect with the service and go live with it, following a four month implementation plan.

- **2011 New York State MWBE Forum**

Annual Conference and Exposition for Minority and Women-owned Business Enterprises was held on October 13-14, 2011 at the Empire State Plaza. After a 25- year history as the DASNY MWBE Forum, DASNY collaborated with the Governor's office to make it a State event. Attendance equaled last year's record-breaking 1,000 registrants. Participants were particularly gratified by the Executive Chamber's interest in this event and look forward to its continuing involvement. A special panel featuring members of the Governor's MWBE Team had a standing-room-only crowd interested in the Administration's goals for minority and women-owned businesses in New York. Keynote Speakers at the event included Lt. Governor Robert Duffy, Chief Counsel Mylan Denerstein, NYS Small Business Development Center Director William Brigham, as well

as DASNY Board Chairman Alfonso L. Carney, Jr. and DASNY President Paul T. Williams, Jr.

- **2012 New York State MWBE Forum**

Planning has begun in conjunction with the Executive Chamber for the 2012 MWBE Forum. This annual event will be held in Albany at the Empire State Convention Center during the month of October. Initial planning suggests a Friday-Saturday, two-day format. DASNY is exploring ways to partner with Governor Cuomo's MWBE Team and other NYS Agencies/Authorities to increase MWBE participation.

- **New York State Surety Bonding Assistance Program**

DASNY participated in the announcement of this program on Tuesday, February 21, 2012. The surety bond program, utilizing \$10 million of Federal funds, will be available to firms acting as prime or sub-contractors for NYS's major public building agencies and authorities. It is expected that through development of a comprehensive program, modeled after DASNY's successful program, the \$10 million will be able to be leveraged to several times its value in additional surety capacity. DASNY is assisting by outlining a statewide program concept of education, training and technical assistance for the targeted MWBEs necessary to have continued support from the surety industry.

- **MWBE 15-A Construction Related Goal Results for FY 11-12:** DASNY's construction and commodity-related MWBE 15-A goals for 2011-12 were 20%; 13% MBE and 7% WBE. DASNY's results for FY 11-12: 22.75%, 13.40% MBE, 9.35% WBE. The total cumulative MWBE expenditures for FY 11-12 were \$144,656,434.

- **DASNY's MWBE Surety Bond/Capital Assistance Program**

DASNY's Board approved a Surety Bond/Capital Access Fund and Program for MWBE contractors in 2009. The lack of available surety bond capacity for MWBE firms continues to be a major barrier for their development from subcontractors to prime contractors and limits the capacity of MWBE prime contractors to bid. The Board established the fund in an amount of \$3 million. Two million dollars of these funds will be used by DASNY to assist in mitigating the risk of surety bonds authorized as a result of the DASNY bonding program, and \$1 million will be used to facilitate bank loans, providing capital access to those firms.

Work was undertaken in calendar years 2010 and 2011 to develop this program. DASNY and its consultant selected 22 MWBE firms (16 downstate and six upstate) for the program in its entirety, and an additional five firms to participate in a partial program with an emphasis on strategic coaching. As a result of this program during 2011, five participating firms have secured a total of more than \$3 million dollars in aggregate bond lines that can be used on non-DASNY projects. This outlined program goal was achieved as a direct result of the program curriculum and advisory services. In addition, several participating firms have the strong potential of securing their first-ever bond lines as they finalize the submission of their required bonding documents by the third quarter of this year.

- **MWBE Financial and Professional Services**

The chart below outlines the MWBE participation for non-construction related professional services for FY 11-12. The information was submitted by the each process owner for the FY 11-12 for ESDC compliance reporting.

Professional Service	Total	MWBE Participation	% Participation
Legal	\$ 10,169,600.28 ¹	\$ 483,571.88	4.76%
Accounting	\$ 277,000.00	\$ 76,562.00	27.64%
Broker-Dealer	\$ 7,368,194,500.00	\$ 989,535,500.00	13.43%
Financial Advisory	\$ 190,764.00 ²	\$ 20,000.00 ²	10.48%
Swap Advisory	\$ 15,000.00 ³	\$ -	0.00%
Risk Management	\$ 854,688.68	\$ 35,539.00	4.16%
Underwriters	\$ 6,870,956.00 ^{2,4}	\$ 1,425,841.00 ^{2,4}	20.75%
Total Participation %	\$ 7,386,572,508.96	\$ 991,577,013.88	13.42%

- **2010 Business Diversification Act**

- **Diversity Questionnaire**

DASNY has developed a Diversity Questionnaire, which is currently used in all procurements for services. DASNY's Diversity Questionnaire is being considered as a model and basis for the State-wide Diversity Practices Questionnaire and Scoring Matrix being developed by Empire State Development's Division of Minority and Women Business Development Diversity Practices Working Group.

- **Procurement Guidelines**

Additionally, DASNY has updated its *Procurement Guidelines* to insure that they are in compliance with the Business Diversification Act. These updates require, among other things: 1) the establishment of appropriate goals for participation of Minority and Women-Owned Business Enterprises in Procurement Contracts and the utilization of Minority and Women-Owned Business Enterprises as subcontractors and suppliers by entities having procurement contracts with DASNY; 2) the solicitation of offers from Minority and Women-Owned Business Enterprises known to have experience in the area of the goods or service to be provided, regardless of the type of contract; 3) the provision of notice of any procurement to appropriate professional organizations that serve Minority and Women-Owned Business Enterprises so that members of these organizations are apprised of potential opportunities to contract with DASNY; and 4)

¹Includes firms engaged by and paid by DASNY as well as underwriter's counsel on DASNY bond issuances paid from the underwriter's compensation.

² Paid from bond proceeds

³ Paid from swap termination proceeds

⁴ Institutional designations by investors for State Supported Debt

maintaining a database of Minority and Women-owned Business Enterprises that have expressed interest in doing business with DASNY and ensuring that such entities receive direct notice of any impending procurements.

- **Liquidated damages provision**

Finally, DASNY's *General Conditions for Construction* (though currently used for construction contracts will be adapted to all DASNY contracts) permit the assessment of liquidated or other appropriate damages against a contractor for failure to comply with the MWBE requirements.

- **MWBE Roundtable Discussion**

On May 20, 2011, DASNY participated in the 5th Annual MWBE Roundtable. The MWBE Roundtable is a consortium of public/private experts in the area of MWBE participation who gather to discuss issues of importance in the public and private sector revolving around MWBE participation in Construction, Professional Services and Commodities and Services. Hosted by the Metropolitan Transportation Authority, the roundtable participants included: NYS. Chief Diversity Officer, Yrthya A. Dinzey-Flores; Chair of the MWBE Task Force, William C. Thompson, School Construction Authority, Port Authority NY/NJ, as well as representatives from the private sector.

Sustainability Programs

- **DASNY Green Projects in Design and Construction**

As of January 1, 2008, all DASNY construction projects are identified as sustainable opportunities, with the specific sustainable goals identified, or are registered with the United States Green Building Council (USGBC) with a goal of LEED Silver or higher. These numbers below represent all new buildings, additions, or significant renovation projects of any size that have entered DASNY's pipeline and have been registered or certified since the start of last year.

Projects registered with USGBC:	41
Projects certified by USGBC to date:	6

*LEED work is registered at the start of the project and certified after construction is completed.

- **DASNY Involvement with Executive Orders and Laws Promoting NYS Sustainability**

DASNY continues to work collaboratively with other state Agencies/Authorities on Executive Orders and laws in development, and to achieve the goals of Executive Orders No. 111 (energy efficiency and fleet management), No.18 (elimination of single use water bottles), No. 24 (greenhouse gas (GHG) emissions reductions by 2050) and No. 4 (green procurement and waste reduction).

DASNY has consistently exceeded the requirements of Executive Order No. 111, initially signed in 2001, by purchasing hybrid and flex-fuel vehicles for all of DASNY's passenger fleet vehicles, and by aggressively reducing DASNY's energy usage and

increasing DASNY's purchase of RECs. In addition, we aggressively work to reduce overall energy usage in DASNY's buildings. We are currently changing out DASNY's overhead lighting fixtures in DASNY's 515 Broadway, Albany headquarters. This work is being accomplished with a 50% cost share from National Grid, resulting in a return on investment of less than one year. Energy use reductions tie into reporting on several of these Executive Orders, and each reduction allows us better control over our budget as we spend less on gas and electric which have fairly volatile pricing histories.

DASNY involvement in Executive Order #4 relates to our continuing reporting on DASNY's waste, paper and sustainability planning. Reduction in waste generation in 2009 continued, with an additional 14% reduction over the previous reporting year. In addition, DASNY is part of the Executive Order #4 Training Sub-committee, and this group is currently working to roll-out training for sustainability coordinators and facility managers of New York State buildings. The goal is to improve operational planning and building management to save money, improve health and well-being of staff, and respect limited natural resources. This training was developed by Urban Green (NYC Chapter of the USGBC) and will be delivered by the NY Upstate Chapter of the USGBC. NYSERDA is providing a cost share of 50%, and the USGBC Chapters have adjusted their agreements to eliminate the cost to the first 150 State employees who are trained during this initial outreach.

- **LEED**

DASNY has been awarded LEED-Gold certification under the LEED for Existing Buildings rating system for its main office at 515 Broadway in Albany. This achievement verifies the ongoing work in improving DASNY's building's performance and aligns with the receipt of an Energy Star rating of 92, which indicates our building is performing better than 92% of similar commercial office buildings in our area. DASNY is only the second existing New York State government building listed in the Green Building Certification Institute's database to be awarded LEED Gold-EB. The first was the Executive Mansion in 2008. This success is due to careful monitoring, frequent adjustments and a concerted effort by staff along with building management's efforts to maximize energy conservation.

DASNY is the second NYS entity to have completed the verification process for GHG reporting to the Climate Registry, an international tracking system. We continue to work on the verification of our 2009 and 2010 reporting of GHG emissions and to develop approaches to reducing these emissions in our operational goal setting.

- **LEED Accredited Professionals at DASNY**

DASNY has 34 LEED Accredited Professionals on staff along with one LEED Green Associate. These professionals are staff that have learned about the LEED rating system and general aspects of sustainable design, and have passed a test to confirm their knowledge.

Executive Initiatives and Operations

- **North General Hospital (NGH)**

North General Hospital filed for bankruptcy and closed in July 2010. A revised Plan of Liquidation became effective on June 30, 2011. DASNY's subsidiary, NGHP Holding Corporation, took title to property of NGH and leased the main building to New York Health and Hospitals Corporation (HHC), and conveyed other parcels to HHC and the Institute for Family Health. NGHP Holding Corporation was created pursuant to Chapter 561 of the laws of 2010 for the purpose of limiting the liability of DASNY in connection with the exercise of remedies by DASNY against NGH and taking title to the property formerly of NGH.

- **Customer Satisfaction Initiative**

DASNY conducts a formal Customer Satisfaction Initiative program in which we interview all of DASNY's private financing, TELP (Tax-Exempt Equipment Leasing Program) and selected capital public construction customers. Personal interviews solicit the customers' views on DASNY's performance regarding quality, customer support, communication, cost, process and timeliness. Private financing customers are interviewed at the conclusion of each financing, while capital construction customers are interviewed at the completion of the design phase as well as completion of the project. This feedback is used by DASNY's senior managers to improve the operations of DASNY, add value to its services and strengthen its customer relations.

In 2011, DASNY modified the program to align with its new mission statement and performance goals. Survey questions and satisfaction metrics were changed. The questions more closely targeted our services and the metrics were changed from a five-point scale (5 representing the greatest satisfaction) to a six-point scale. The new scale was divided into grades of satisfaction or dissatisfaction. DASNY set a benchmark goal of four out of six (Satisfied/Met Expectations) for our surveyed programs.

In FY 11-12, DASNY surveyed a total of 45 private financings, TELP, construction and design projects. Eighty-seven percent of the customers said DASNY met or exceeded their expectations providing a rating of 4.58. Over ninety-percent of the customers rated their product satisfaction and intention to use and/or recommend DASNY to others at 4.82 and 4.85 respectively.

- **Grant Programs**

DASNY has been authorized to sell bonds to finance programs created by the Legislature to build, expand or renovate community facilities throughout New York. In FY 11-12, DASNY sold more than \$537 million in bonds to support community-based economic development, education, healthcare, high-technology, housing and public safety projects.

DASNY administers a number of different grant programs for the Governor and the Legislature and in some cases, in cooperation with other State agencies. Since inception of the grant programs, DASNY has received 6,614 grants totaling over \$6.9 billion for processing. There are 3,930 active grants under consideration at this time, and a total of approximately \$4.3 billion has been disbursed to Grantees.