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PETER SCHMITT,
Presiding Officer

RULES COMMITTEE

PETER SCHMITT, Chairman

1550 Franklin Avenue
Mineola, New York

Monday, July 9, 2012
1:05 P.M

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A P P E A R A N C E S :

PETER SCHMITT,
Chairman

HOWARD KOPEL,
Vice Chairman

DENNIS DUNNE (substituted by
Vincent Muscarella)

ROSE MARIE WALKER

KEVAN ABRAHAMS, (substituted by
Ranking Judi Bosworth)

JUDY JACOBS

WAYNE WINK

WILLIAM J. MULLER,
Clerk of the Legislature

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LIST OF SPEAKERS

ED EISENSTEIN,
Commissioner of Information Technology....7

FRANK INTAGLIATA, Nassau County
Acting Director of Purchasing.....8

ADAM HABER, public comment.....30

GREG STEPHANOFF, Nassau County
Police Department.....33

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INSERTS

Incorporated Minutes..... 33

Page 34, line 3 through line 12
(Pertaining to Clerk Item E155)

1 Rules Committee/7-9-12

2 CHAIRMAN SCHMITT: Would everyone
3 please take their seats. I would ask
4 everybody to please rise for the Pledge of
5 Allegiance lead by Legislator Rose Walker.

6 (Whereupon, the Pledge of
7 Allegiance was recited.)

8 CHAIRMAN SCHMITT: Mr. Clerk,
9 would you please call the roll of the Rules
10 Committee?

11 CLERK MULLER: Yes. Legislator
12 Wink?

13 LEGISLATOR WINK: Here.

14 CLERK MULLER: Legislator Jacobs?

15 LEGISLATOR JACOBS: Here.

16 CLERK MULLER: Ranking Member
17 Abrahams?

18 (No verbal response.)

19 CLERK MULLER: Legislator Walker?

20 LEGISLATOR WALKER: Here.

21 CLERK MULLER: Legislator
22 Muscarella filling in for Legislator Dunne?

23 LEGISLATOR MUSCARELLA: Here.

24 CLERK MULLER: Vice Chairman
25 Kopel?

1 Rules Committee/7-9-12

2 LEGISLATOR KOPEL: Here.

3 CLERK MULLER: Chairman Schmitt?

4 CHAIRMAN SCHMITT: Here.

5 CLERK MULLER: We have a quorum.

6 And Legislator Jacobs and Legislator Wink
7 are here.

8 CHAIRMAN SCHMITT: Okay. We have
9 two items on the Rules Committee that are
10 going to be heard today, two contracts.
11 First I will take a motion to untable.

12 LEGISLATOR WINK: Let the record
13 reflect that Legislator Jacobs and I are in
14 attendance.

15 CHAIRMAN SCHMITT: Let the record
16 reflect that Legislator Jacobs and I,
17 whoever I is, is in attendance. E154. I
18 will take a motion to untable E154 which is
19 a contract between IT and Universal
20 Management Technologies Solutions.

21 LEGISLATOR WALKER: So moved.

22 LEGISLATOR MUSCARELLA: Second.

23 CHAIRMAN SCHMITT: Motion by
24 Legislator Walker, seconded by Legislator
25 Muscarella. All those in favor of untabling

1 Rules Committee/7-9-12

2 please say aye.

3 (Aye.)

4 The item is before us. Who is
5 here to speak on this item?

6 MR. EISENSTEIN: Good morning
7 legislature. Ed Eisenstein, commissioner of
8 information technology. The item we're
9 speaking of, I have some notes, if I may
10 speak, please.

11 CHAIRMAN SCHMITT: Go ahead.

12 MR. EISENSTEIN: So I have two
13 items here. We are talking about the D112,
14 correct?

15 CHAIRMAN SCHMITT: The contract
16 between IT and Universal Management
17 Technology Solutions, Item 154.

18 MR. EISENSTEIN: I have 112 and
19 129.

20 LEGISLATOR WINK: Mr. Chairman,
21 please let the record reflect that not only
22 is Legislator Wink in attendance, but
23 substituting for Minority Leader Kevan
24 Abrahams is Legislator Judi Bosworth.

25 CHAIRMAN SCHMITT: Substituting

1 Rules Committee/7-9-12
2 for Legislator Kevan Abrahams is Legislator
3 Judi Bosworth. Now that we have the
4 membership up here straight, maybe we can
5 get what's in front of us, down there,
6 straight.

7 Could you identify yourself for
8 the record, please?

9 MR. INTAGLIATA: Good afternoon,
10 legislators. Frank Intagliata, acting
11 director of purchasing.

12 This RFP representing UMS, United
13 Management Solutions, was responded to by
14 four companies. The four companies bid
15 differently, and we set up a panel of five
16 people. A five panel board then granted
17 them interviews and the interview process
18 took place over 30 to 40 minutes.

19 Through that process we voted
20 unanimously for UMS at no cost to the
21 county. Two of the counties wanted to
22 charge us hourly rates, also impose large
23 fees before they actually did a finding of
24 any savings for us.

25 CHAIRMAN SCHMITT: That's all

1 Rules Committee/7-9-12
2 well and good. Could you tell us what the
3 contract is for? Why would we do this?

4 MR. INTAGLIATA: Well, the
5 initiative was set forth by Grant Thornton.
6 In the Grant Thornton review, they
7 recommended that we consolidate and
8 standardize our purchasing practices. We
9 looked to a selective or strategic sourcing
10 group, and that was the nature of the
11 business at hand and that's why the RFP.

12 They are going to be able to do
13 that by example. They've saved the City of
14 New York some \$50 million recently in just
15 consolidating their IT networking and out
16 sourcing and their communications between
17 their agencies.

18 So it's our feeling that on the
19 maintenance agreements that we have, our
20 software arrangements, through a
21 consolidated effort, we can find savings.
22 We pay them nothing. It's at no cost to the
23 county. They get 14 percent of the savings.
24 We get the 86 percent. We devised a product
25 scoring sheet which will be signed off by

1 Rules Committee/7-9-12
2 the office of management and budget, the
3 comptroller, and our department, so that we
4 look at every contract that comes due over a
5 two to three-year period.

6 So, in essence, we will be
7 looking at every commodity and service in
8 seeing where we can save money. And just
9 through some of the preliminary efforts that
10 they've shown me, sometimes there is
11 supervisory fees with review of these IT
12 contracts they can be eliminated, sometimes
13 there are better enterprising agreements
14 that can be looked at, and, as these
15 contracts get renewed annually, they will be
16 right there to renew them first.

17 We will still follow all the
18 methods of procurement as adopted by this
19 charter. So if there is a public bidding
20 process, it will take place, and if there is
21 subs, or the low bidder will win that, the
22 low bidder wins that meets the
23 qualifications.

24 CHAIRMAN SCHMITT: So describe to
25 me how you will save money.

1 Rules Committee/7-9-12

2 MR. INTAGLIATA: So we will look
3 to the previous spend. We would go back to
4 one year, two years, and even three years on
5 the blanket contracts and see what the gross
6 spend was for, let's say, elevator service,
7 for example. And if we had four companies
8 currently employed to do elevator services
9 at our various sites, we are now putting out
10 a sole bid for that and encouraging that
11 company to use their manpower more
12 strategically and go into an actual
13 maintenance agreement where they are in the
14 same footprint and they're looking and
15 reviewing things like preventive
16 maintenance.

17 We will look then take a look at
18 that cost per hour and they'll be able to
19 derive a difference. I think that will be
20 the proof positive because we know what we
21 spent in the past. Instead of just having
22 an add-on to our existing contracts

23 CHAIRMAN SCHMITT: We've been
24 experiencing difficulties getting contracts
25 sent here on a timely basis as it is. To

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1 Rules Committee/7-9-12
2 add another layer here where you're going to
3 have somebody else reviewing these contracts
4 as they come due, I assume will be done
5 before a recommendation is made to this
6 committee.

7 MR. INTAGLIATA: Yes, sir. The
8 thought process is the duration. I thought
9 that over three years we could derive the
10 best savings because typically contracts are
11 one year contracts with two year options.

12 CHAIRMAN SCHMITT: What is the
13 length of this contract?

14 MR. INTAGLIATA: This contract
15 can run three to five years. I think at the
16 end of the mining, where we actually look at
17 what we've spent in the past, what we're
18 going to spend, if there's a better IP that
19 comes forth, an intellectual property that
20 just stands forward and jumps off the page,
21 we will be able to take advantage of that.

22 We don't want to pay them up
23 front, so I like the duration of the
24 contract so we can pay them in arrears after
25 we actually realize the savings.

1 Rules Committee/7-9-12

2 So, for example, if we have a low
3 bid process, and that did not take us
4 through the entire duration of the contract,
5 then we would stop paying them if the
6 company wanted a price increase, for
7 example, they would cease to exist then in
8 that commodity. Envision a check off
9 process of every commodity and service that
10 the county currently does.

11 I think it will be a very
12 exciting time for us in procurement. We are
13 certainly operating with less but we look
14 forward to the challenge.

15 CHAIRMAN SCHMITT: But I'm not
16 following you on the contract. Many
17 contracts come in as a result of a public
18 bid, the lowest responsible bidder. So
19 what's to review? What are they going to
20 do, they look at the contract for the lowest
21 responsible bidder and say now, what do we
22 need, we can get it cheaper? No, we can't
23 because it's the bid.

24 MR. INTAGLIATA: Well, let's take
25 energy, for example. We are currently

1 Rules Committee/7-9-12
2 buying fossil fuels, diesel oil, gasoline,
3 number two heating fuel, electricity,
4 natural gas, and now C energy gas for the
5 bus company. Even though we have put our
6 best foot forward there and we've had a
7 decline in pricing, we can still buy at an
8 aggregate cheaper cost basis through a
9 bidding process.

10 Now, the previous cost basis did
11 not encompass all those fuels as a grouping.
12 They're talking to me about putting them out
13 in a group in their entirety, therefore
14 you're having a larger field to bid on which
15 should reduce price anyway. If we see that,
16 say, that cost basis from 16 cents to 14
17 cents, I would be happy to pay them 14
18 percent of the two cents because that would
19 be a very good savings.

20 CHAIRMAN SCHMITT: Who's going to
21 decide that? Right now, hypothetically,
22 you're purchasing gasoline from ABC Company
23 at so much per gallon. Now you're going to
24 put out a bid for gasoline and natural gas
25 and this, that, wait a minute, I'm a

1 Rules Committee/7-9-12
2 gasoline company. I can't bid on this other
3 stuff. I can only bid on supplying you
4 gasoline. You're knocking me out of the
5 market.

6 MR. INTAGLIATA: Not necessarily,
7 because we will put it out in sections. We
8 will call it group one, two, three, four.
9 So we can award it aggregate or by sections
10 or by groups which is the best advantage to
11 the taxpayers.

12 So let's take our companies I
13 have dealt over a decade, Sprague Energy for
14 gasoline. If there's a better way to
15 procure gasoline for the county, we'll find
16 out via a more aggregate energy bid. We
17 know we burn two million gallons just for
18 our police fleet annually. If that contract
19 traditionally is three to five years, and
20 there's a better footprint out there to take
21 advantage of five to ten million gallons of
22 gasoline, well, let's do it.

23 Just the fact that we have a
24 consultant at our wing that we're not paying
25 anything to, that just raises the bar for

1 Rules Committee/7-9-12

2 us.

3 CHAIRMAN SCHMITT: That's the
4 only part of this that makes it to me even
5 salvageable that we are not paying anything
6 up front. Grant Thornton came in here at a
7 great expense when NIFA hired them, and they
8 came in here and what did they do? They
9 went to each department and said, tell me
10 what you do and tell me how you do it. Then
11 they threw it all together in a book and
12 made a report and charged us God knows how
13 much for it.

14 One of their recommendations is
15 this and now is this company going to come
16 in and do the same thing? Just come in and
17 say, how do you buy gasoline? Let me take a
18 look at that process that you have, how do
19 you do that?

20 MR. INTAGLIATA: They have a
21 vision just through this interview process
22 that would put a pricing matrix that rivals
23 like CUNY. In fact, that aggregate pricing
24 matrix in say, in concert with Suffolk
25 County, now just increases our volume to --

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1 Rules Committee/7-9-12
2 we'll be part of something in shared
3 services that has never been done with a
4 municipality before.

5 If it doesn't work, if that price
6 is higher, then we don't execute their part
7 of it, and we are very accomplished at
8 buying it cheaper.

9 The Grant Thornton, when I did
10 that review with them, one of the things I
11 didn't really think was apropos was just the
12 standardization with our vehicles, and they
13 took a big issue with that. I believe we do
14 that already.

15 I don't believe that we are going
16 to have a savings in the standardization of
17 police cars in some of our fleet. But,
18 like, tires there may be tremendous savings
19 in tires if we find out the right
20 manufacturers. So I think it takes each
21 commodity. It's going to take a look at
22 each opportunity differently.

23 CHAIRMAN SCHMITT: Does anybody
24 else have any questions on this item?

25 LEGISLATOR WINK: I do, Mr.

1 Rules Committee/7-9-12

2 Chairman.

3 CHAIRMAN SCHMITT: Legislator

4 Wink.

5 LEGISLATOR WINK: Mr. Intagliata,
6 what I'm getting out of this, if this
7 organization doesn't achieve savings, they
8 get paid nothing, correct?

9 MR. INTAGLIATA: Correct.

10 LEGISLATOR WINK: And how they go
11 about achieving the savings and how we can
12 ascertain what the savings really are, are
13 the details that are going to be largely
14 your responsibility, yes?

15 MR. INTAGLIATA: Yes, in concert
16 with the office of management and budget and
17 the comptroller's office.

18 LEGISLATOR WINK: Do you have the
19 people on staff who could actually achieve
20 the savings that you are hoping for out of
21 this?

22 MR. INTAGLIATA: Well, the people
23 in my department --

24 LEGISLATOR WINK: I'm not trying
25 to second guess or claim that your people

1 Rules Committee/7-9-12
2 aren't capable of this, my question is,
3 given the county's workforce size, given I
4 guess to a degree the newness of your
5 department as a streamlined organization, is
6 this going to accomplish something that your
7 staff won't be capable of doing under the
8 circumstances?

9 MR. INTAGLIATA: I think it can
10 be answered twofold. We have the expertise,
11 the department is a seasoned group. The IP
12 or specification of which we were procuring
13 previously, if there is a better IP out
14 there, just putting out that bid would
15 maintain the same amount of hours a buyer
16 would normally work.

17 The consolidation of several
18 contracts sometimes would take on a review
19 of a contract expiring let's say this
20 December, a contract in September, and a
21 contract that just expired. It's how we get
22 to that merger without necessarily ruining
23 good relationships because we could employ a
24 30 day termination clause at any time in all
25 of our contracts, and then putting out one

1 Rules Committee/7-9-12
2 better document if that's the case.

3 So it's going to be an arduous
4 task, but I think we can do it with the help
5 of the consultant because they are going to
6 streamline some of our work flow in that
7 regard. This will take a review of all of
8 our contracts which will be a year out. It
9 will be a very transparent document. The
10 way we put this together with a product
11 scoring sheet, it will be on a spreadsheet
12 analysis of the past what we are doing, what
13 we have done and what our accomplishment is.

14 At any one point it can be
15 reviewed and obviously I will be looking at
16 it monthly, quarterly, as we pay their bill.

17 LEGISLATOR WINK: They will bill
18 us with some proof of the savings?

19 MR. INTAGLIATA: Yes, definitely
20 proof of the savings otherwise it does not
21 get paid.

22 LEGISLATOR WINK: Understood. It
23 sounds to me like, assuming that you're able
24 to account for market changes and things of
25 that nature, gas prices being what they are,

1 Rules Committee/7-9-12
2 there may be efficiencies, waiting an extra
3 month given the fact with the fluctuations
4 of the price of gas, we may save five cents
5 a gallon or something.

6 As long as there is a mechanism
7 to account for market value and for the
8 changes in market value, I don't see much of
9 a downside to this contract.

10 MR. INTAGLIATA: The gasoline,
11 the commodities market is volatile as you
12 stated. I will tell you that over the last
13 decade I have taken major inroads to having
14 a contract that settles daily to the market
15 pricing. It's actual delivery of the
16 commodity is our fixed pricing.

17 So, if in fact we can save from
18 ten cents a gallon to eight cents a gallon
19 there, it will be whatever the future price
20 is. If, in fact, we are paying \$5 a gallon
21 for gasoline, well, so be it. We would
22 still be paying eight cents opposed to ten
23 cents. That's the best we can do. If we
24 find a better proof positive in energy,
25 where we can take advantage of a future

1 Rules Committee/7-9-12
2 contract without risk, without any risk to
3 the taxpayer, then we will look at it. But,
4 as far as I know, there is no crystal ball
5 out there. Just saying today that we think
6 it's too high is not going to be good
7 enough. As long as it's tied to something
8 like Merchant Tile Exchange or oil opus spot
9 market pricing, it's very transparent.

10 Our usage is very similar in the
11 county. And our largest battle will be in
12 electricity and hopefully we will make good
13 legislative decisions in electricity and be
14 able to bring a cheaper price to all
15 taxpayers on Long Island. We spend an awful
16 lot of money there.

17 LEGISLATOR WINK: I thank you
18 very much for your time.

19 CHAIRMAN SCHMITT: Let me revisit
20 one thing. When you say "savings," the
21 company will bill us if they achieve us a
22 savings, correct?

23 MR. INTAGLIATA: Correct.

24 CHAIRMAN SCHMITT: That savings
25 will be verified and agreed to by the county

1 Rules Committee/7-9-12
2 comptroller?

3 MR. INTAGLIATA: Correct.

4 CHAIRMAN SCHMITT: How do they,
5 using gasoline as an example, from what
6 basis point do they spring off of? In other
7 words, we're paying with the volatility of
8 the market, we're paying, we should be so
9 lucky, 50 cents a gallon right now?

10 MR. INTAGLIATA: We're paying
11 like 3.50.

12 CHAIRMAN SCHMITT: So it's time
13 to put it out to bid again. Is 3.50 a
14 starting point for this company or is it to
15 take a look at where the market is and see,
16 say, gasoline, what we do is have a weekly
17 reset --

18 CHAIRMAN SCHMITT: You're paying
19 3.50, I'm paying 3.20 at the pump, paying
20 taxes.

21 MR. INTAGLIATA: I think we're
22 paying close 2.95 for our regular gasoline
23 in the county, but I was using 3.50 as a
24 round number. But we have spot market
25 pricing and we will be able to -- we

1 Rules Committee/7-9-12
2 currently have a weekly reset. We may go to
3 the daily reset, and therefore take
4 advantage of any dips in the market quicker
5 than we did in the past, and we have an
6 aggregate price. We will be able to look at
7 our invoices over 12 months, and we procured
8 a million eight in gallons.

9 CHAIRMAN SCHMITT: So if this
10 contract goes into effect, we will receive
11 billings that will demonstrate the savings?

12 MR. INTAGLIATA: Yes.

13 CHAIRMAN SCHMITT: And those
14 bills will be sent to here for approval?

15 MR. INTAGLIATA: I envision the
16 bill going, just like our work load goes to
17 the office of the county comptroller, but
18 the scoring sheet being signed off by the
19 Office of Management and Budget that has our
20 previous expenses, and then our comptrollers
21 office. So it will be an electronic
22 document backed up by paper.

23 CHAIRMAN SCHMITT: Is there any
24 requirement in here that every six months or
25 every quarter that we receive a report as to

1 Rules Committee/7-9-12
2 what they've achieved, if anything?

3 MR. INTAGLIATA: I think we
4 should do that, the requirement of the
5 scoring sheet. I requested it quarterly on
6 the onset of this contract.

7 CHAIRMAN SCHMITT: I appreciate
8 the fact that you think we should do it. Is
9 there anything in here that requires it be
10 done? Somebody else may tell you you don't
11 think that way anymore.

12 MR. INTAGLIATA: No. I don't
13 believe that contract states that it's
14 monthly quarterly, but it's in arrears,
15 simply arrears, so the proof positive will
16 not pay until they prove they saved.

17 CHAIRMAN SCHMITT: To who?

18 MR. INTAGLIATA: To all three
19 agencies, Office of Management and Budget,
20 purchasing office and the comptroller's
21 office.

22 CHAIRMAN SCHMITT: Anybody else?
23 Legislator Bosworth.

24 LEGISLATOR BOSWORTH: So I know
25 you may have already answered this, but I'm

1 Rules Committee/7-9-12
2 having a hard time getting my mind around,
3 how do you account for savings if there is a
4 natural fluctuation in the market so that
5 whether you were paying 3.50 for gas and for
6 some reason the price goes down and now it's
7 now 3.20, do we now have to pay this group
8 for the fact that there's been a natural
9 fluctuation in the market?

10 MR. INTAGLIATA: It would be in
11 the transportation cost for gasoline or
12 number two heating oil or diesel fuel.
13 Because we have many sites throughout the
14 county where we take delivery or take it
15 weekly or sometimes daily in our heating
16 season.

17 So the best way to look at it
18 would be the fixed side of the market.
19 That's where they're going to save us. So
20 if we're currently paying as we are as
21 little as ten cents a gallon in number two
22 heating fuel, if, in fact, we went out for a
23 bid at that with that fuel group and there
24 was a better IP and we got that down to six
25 or seven cents, they would earn the

1 Rules Committee/7-9-12
2 difference between what's current and save
3 the six cents. That would be the only way
4 they could earn. It can't be on the future
5 price of the commodity in terms of fossil
6 fuel. If it's a kilowatt hour in
7 electricity, that will be an easier mark.

8 Or if it's natural gas, our cost
9 basis, where we're buying off the NYMEX, our
10 cost basis is 16 cents currently. We've
11 done that on our own. If that gets reduced
12 to 15 cents, well, that's a penny, but, that
13 penny is on 12 million therms, so that's
14 where they would earn, if that answers the
15 question.

16 LEGISLATOR BOSWORTH: It does and
17 I don't mean to belabor it. So we have 16
18 cents, and now it's been reduced to 15
19 cents, is that a reduction that they were
20 able to achieve for us or is that a
21 reduction because the price itself has gone
22 down? How do you distinguish between the
23 two?

24 MR. INTAGLIATA: Again, in energy
25 where you have, that's what I've done here

1 Rules Committee/7-9-12
2 for 15 years, if there's a better IP out
3 there than what we're currently procuring
4 off of, we may not procure gasoline or oil
5 with them. That may be a commodity that we
6 don't look at.

7 In CNG and natural gas, we're
8 always subject to buying it through the
9 delivery of the utility. So that price is
10 not going to fluctuate, that's fixed. So
11 the only thing we have with them is the cost
12 basis. So that cost basis has been
13 established for two years, and one more year
14 with that escrow, and, again, hope for a
15 cost basis reduction. The cost basis may in
16 fact be 18 or 19 cents as they're stating
17 right now on the street. Our contract was
18 written two years ago.

19 LEGISLATOR BOSWORTH: Thank you.

20 CHAIRMAN SCHMITT: Legislator
21 Jacobs.

22 LEGISLATOR JACOBS: In the first
23 place, I must say to you, I really never met
24 you before, but you seem to be very
25 knowledgeable and this is all very

1 Rules Committee/7-9-12
2 refreshing. That's number one, and that's
3 not why I asked to speak. I just thought
4 I'd mention that, and I wish you good luck.

5 MR. INTAGLIATA: But we did meet
6 many years ago when Frank Ryan was director,
7 and I helped you with your procurement.

8 LEGISLATOR JACOBS: Here we go.
9 So wrapping my hands around all of this,
10 what this really is is that there is a
11 possibility that they're asking, in saving
12 money, and This particular contract allows
13 us to have someone on board who will head
14 those opportunities and make us aware of
15 them?

16 MR. INTAGLIATA: That's what they
17 did in the City of New York. They have that
18 problem there with Mayor Bloomberg where
19 they saved money, so I am willing to try it
20 at no cost to us.

21 LEGISLATOR JACOBS: Well, it
22 sounds like something intelligent to me, so
23 this way there is somebody that is going to
24 hopefully catch it. So thank you.

25 CHAIRMAN SCHMITT: Okay. Is

1 Rules Committee/7-9-12

2 there any public comment? Come on up.

3 MR. HABER: Hi. I'm Adam Haber.
4 I traded crude oil, natural gas, heating
5 oil, and a whole bunch of other commodities
6 from 1989 to 2009, so I'm very familiar with
7 what you're trying to do.

8 There are a few avenues that I
9 don't think you have explored yet. First of
10 all, you always want to know what your
11 downside is when your commodities fluctuate
12 tremendously. Buying spot price a few cents
13 off is great, but what happens if crude oil
14 spikes \$200 a barrel or gasoline goes to \$10
15 a gallon? There is a way through a
16 consolidator as far as 24 months out into
17 the future to lock in pricing so you can
18 know that you won't be affected by price
19 shock. So that's one thing you might want
20 to consider.

21 The other thing is, as of about
22 two years ago, the industry has deregulated
23 and there are consolidators out there. What
24 a consolidator does is, in gasoline, heating
25 oil, natural gas and electricity, but

1 Rules Committee/7-9-12
2 electricity can't be consolidated in New
3 York State because of some Byzantine laws,
4 he goes to certain providers, for example,
5 Hess, who might have excess capacity, and
6 Hess will sell three to five percent cheaper
7 on the spot market.

8 When you purchase these
9 commodities you can do it two ways. On the
10 spot market which means how you purchase it
11 today, or you can purchase it through the
12 future's market which is next January or
13 December or whatever it may be. But there's
14 many different ways to lock in pricing so
15 you know your future's cost, and the one
16 thing I recommend strongly is looking at a
17 consolidator who, like the IT you were
18 talking about, would look for 14 percent of
19 the savings that he brings to the company or
20 to the county. The consolidator would take
21 a small percentage of any savings and pass
22 it through onto the county.

23 So you can't do consolidation
24 with electricity in New York State but I
25 recommend looking at it through gasoline,

1 Rules Committee/7-9-12
2 heating oil, and natural gas, possibly
3 propane. I don't know the county's propane
4 use, but those are avenues you should look
5 at also.

6 CHAIRMAN SCHMITT: Thank you.
7 All those in favor of E154 please signify by
8 saying aye.

9 (Aye.)

10 Any opposed?

11 (No verbal response.)

12 The item carries unanimously.

13 Next I will take a motion to suspend the
14 rules.

15 LEGISLATOR MUSCARELLA: So moved.

16 LEGISLATOR WALKER: Second.

17 CHAIRMAN SCHMITT: Moved by
18 Legislator Muscarella, seconded by
19 Legislator Walker. All those in favor of
20 suspending the rules please say aye.

21 (Aye.)

22 The rules are suspended. I'm
23 going to call the addendum item which is
24 E155, a contract between Nassau County
25 Police Department and Parents for Megan's

1 Rules Committee/7-9-12
2 Law Incorporated in the amount of \$180,000.

3 Yes, sir, good afternoon.

4 MR. STEPHANOFF: Good afternoon.
5 Sergeant Greg Stephanoff from the police
6 department. This is a contract with Parents
7 for Megan's Law. This is for the prevention
8 and treatment of child sexual abuse. They
9 will provide the department with assistance
10 in the following areas, education, general
11 advocacy, referrals, policy, and legislative
12 support services. We have contracted with
13 them before with success.

14 CHAIRMAN SCHMITT: We did suspend
15 the rules. First we have to have a motion
16 on the item.

17 LEGISLATOR MUSCARELLA: So moved.

18 LEGISLATOR WALKER: Second.

19 CHAIRMAN SCHMITT: Moved by
20 Legislator Muscarella, seconded by
21 Legislator Walker. Now that the item is in
22 front of us, I would like to incorporate
23 everything he said into the record.

24 (Whereupon, the following are the
25 comments of Sergeant Stephanoff pertaining

1 Rules Committee/7-9-12
2 to Clerk Item E155.)

3 MR. STEPHANOFF: Good afternoon.
4 Sergeant Greg Stephanoff from the police
5 department. This is a contract with Parents
6 for Megan's Law. This is for the prevention
7 and treatment of child sexual abuse. They
8 will provide the department with assistance
9 in the following areas, education, general
10 advocacy, referrals, policy, and legislative
11 support services. We have contracted with
12 them before with success.

13 (Whereupon, the following is the
14 continuation of the minutes of the Rules
15 Committee, 7-9-12.)

16 CHAIRMAN SCHMITT: Anything else?

17 (No verbal response.)

18 Is there any public comment?

19 (No verbal response.)

20 All those in favor signify by
21 saying aye.

22 (Aye.)

23 Any opposed?

24 (No verbal response.)

25 The item carries unanimously.

1 Rules Committee/7-9-12

2 MR. STEPHANOFF: Thank you.

3 CHAIRMAN SCHMITT: That's it.

4 Being there is no further business in front
5 of the Rules Committee, I will take a motion
6 to adjourn.

7 LEGISLATOR WALKER: So moved.

8 LEGISLATOR MUSCARELLA: Second.

9 CHAIRMAN SCHMITT: Moved by
10 Legislator Walker, seconded by Legislator
11 Muscarella. All those in favor please say
12 aye.

13 (Aye.)

14 We stand adjourned.

15 (Whereupon, the Rules Committee
16 adjourned at 1:34 p.m.)

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C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and Notary Public in and for the State of New York, do hereby stated:

THAT I attended at the time and place above mentioned and took stenographic record of the proceedings in the above-entitled matter;

THAT the foregoing transcript is a true and accurate transcript of the same and the whole thereof, according to the best of my ability and belief.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of July, 2012.

FRANK GRAY