

2014 Purchasing Forum & Trade Show

May 14 & 15

Supporting Preferred Sources



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Supporting Preferred Sources

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Supporting Preferred Sources

Class Outline

- **Overview of Preferred Sources & Offerings**
- **MWBE Goals and Service Disabled Veteran Preferences**
- **What is Form, Function, and Utility?**
- **How to Purchase from a Preferred Source**

Who needs to know about Preferred Sources?

...Everybody!

- **State Agencies –**

includes all state agencies, AG, OSC, & SUNY, CUNY,

- **Political Subdivisions –**

includes school districts, cities, villages, towns, & counties

- **Public Benefit Corporations -**

includes state & local authorities

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What do you need to know about Preferred Sources?

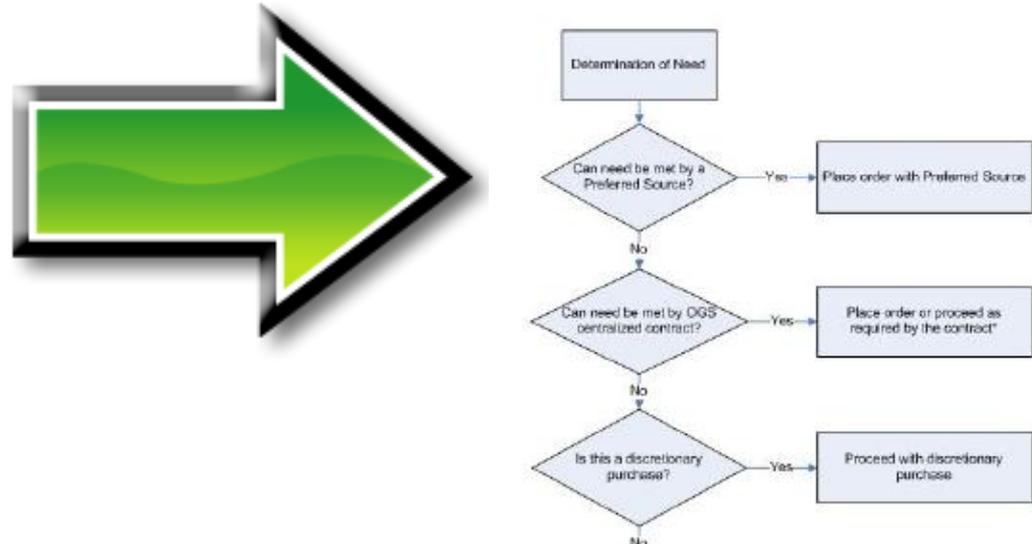
1. Preferred Sources are:

- Established by NY State Finance Law. (Article 11, Section 162)
(http://www.weblaws.org/new_york/laws/n.y.state_finance_law_sec.162)
- Approved by Department of Correctional Services and Community Supervision, NYS Office of Children and Family Services, NYS office of Mental Health, and State Education Department.
- Responsible for advancing socio-economic goals of promoting bona fide long-term employment among these populations:
 - Prison Inmates,
 - Blind and Visually Handicapped,
 - Severely Disabled,
 - Mentally Ill,
 - Veterans

What do you need to know about Preferred Sources?

2. They offer both **commodities and services**.
3. They **have priority** over all other procurement methods.
4. The **Procurement Council Guidelines** (www.ogs.ny.gov/BU/PC/Docs/Guidelines.pdf) diagrams a decision tree for purchasing which demonstrates where Preferred Sources fits in...

Selecting A Procurement Method



WHO ARE THEY & WHAT DO THEY OFFER?

NYS Department of Corrections and Community Supervision/Division of Industries (CORCRAFT)

- Corcraft is a preferred source supplier. Agencies, schools and other authorized users can purchase items without a time consuming bid process.
- Provides employment opportunities for 2100 inmates and teaches skills and discipline that are useful in finding and keeping jobs after release, which reduces recidivism.
- Manufactures and sells more than **300 products** including furniture, seating, janitorial supplies, clothing, signage, eyeglasses, license plates, etc. Also offers recycling and abatement services.
- CORCRAFT – NYS Vendor ID#042000082
- 518-436-6321 or 1-800-436-6321
- <http://www.corcraft.org>

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WHO ARE THEY & WHAT DO THEY OFFER?

National Industries for the Blind / NYS Preferred Source Program (NIB/NYSPSP)

- Provides NY employment opportunities for people who are blind or visually impaired.
- Offers both **commodities and services**.
- Provides a wide variety of products and a growing list of services including, but not limited to, office supplies, drug test kits, janitorial products, a variety of gloves and safety vests, mail and call center services, as well as kitting services.
- **NIB/NYSPSP – NYS Vendor ID#1100070977**
- **518-621-0621 1-800-421-9010**
- **<http://www.nyspsp.org>**

WHO ARE THEY & WHAT DO THEY OFFER?

New York State Industries for the Disabled (NYSID)

- Provides NY employment opportunities for people who are severely disabled.
- Offers both **commodities and services**.
- Provides many products and services including, but not limited to, janitorial supplies, medical care items, office and school supplies, personal care products, safety supplies, signage, medical kits, textiles and apparel, janitorial services, electronic recycling, food services, laundry services, data imaging, mail fulfillment, courier/messenger services, temp personnel, and secure document destruction.
- **NYSID – NYS Vendor ID#1000001252**
- **518-463-9706**
- **<http://www.nysid.org>**

WHO ARE THEY & WHAT DO THEY OFFER?

New York State Office of Mental Health (Buy OMH)

- Provides NY employment opportunities for people with a mental illness.
- Offers a statewide training and employment program to provide work readiness and job needs.
- Provides products and services such as office furniture, personal care products, engraved signs, tables, textiles and apparel, furniture refurbishment, horticulture services, building and grounds maintenance, customer services, data entry, food services, and information & records conversion management.
- Sells products and services to OMH facilities.
- NYS OMH/BUY OMH – NYS Vendor ID#042000059
- 518-474-0121
- <http://www.omh.ny.gov>

How do I Get More Details about the Preferred Sources Offerings?

From this Link on the OGS website:

<http://www.ogs.state.ny.us/procurecounc/pdfdoc/psguide.pdf>

This is the Preferred Source Guidelines and includes:

- A. Links to Preferred Sources' Catalogs,
- B. Links to Preferred Source Listings,
- C. Summary of Purchasing Procedures and
- D. Information on "How to Use Preferred Sources"

How do I Get More Details about the Preferred Sources Offerings?

“The List” has 5 Sections (A-E)

***Section A = Commodities – Items Approved Statewide**

Section B = Commodities - Items Approved for a specific entity

Section C = Commodities - Items Not Approved

***Section D = Services - Items Approved Statewide**

Section E – Services – Items Not Approved

***mandatory use if fits form, function and utility**

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What do I do if I Can't Find What I Need?

Didn't find what you want?

...Looking for something new or substantially different?

If you **want buy something not found** on the Preferred Source list, contact the Preferred Sources to see if they can help.

New applications are subject to Procurement Council or OGS Approval depending upon the threshold. New offerings must be **for more than one agency.**

Which Preferred Source Do I Purchase From?

Priority Among Preferred Sources

- Sometimes Preferred Sources have overlap in their offerings.
- Commodities and Services **available in the form, function and utility required** by a State agency, political subdivision or public benefit corporation must be purchased from preferred sources in the following prioritized order:

Commodities:

1st – Corcraft

2nd – NIB / NYSPSP

3rd – NYSID or Buy OMH

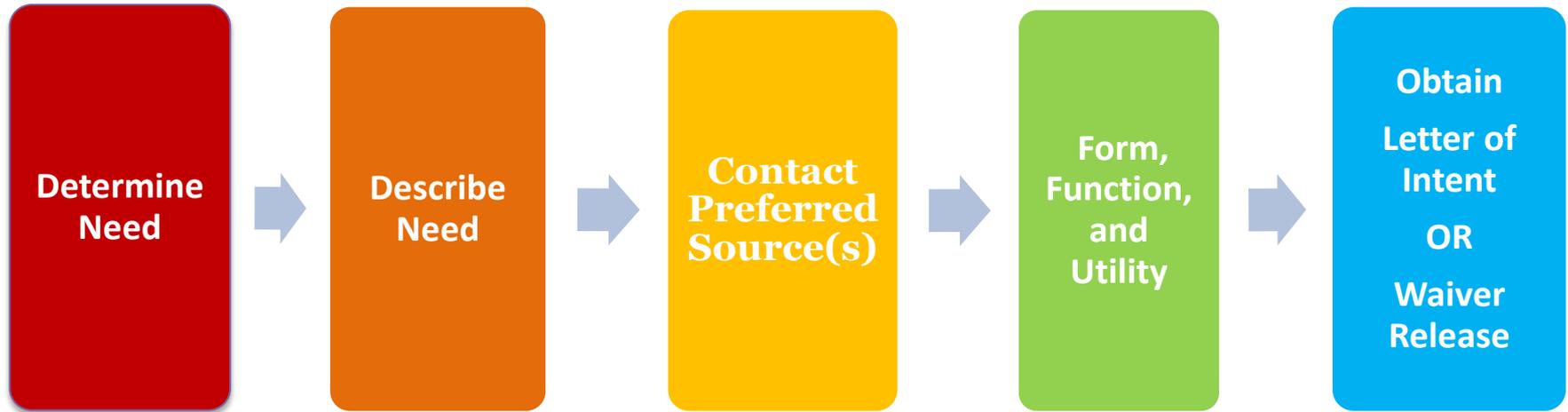
Services:

Equal Priority –
if more than 1 preferred source
meets the requirements, cost
shall be the determining factor.

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Overview on How to Purchase From NYS Preferred Sources



- Agencies should work with Preferred Source and negotiate where possible.
- Do **NOT do a competitive solicitation** prior to speaking with the Preferred Source.
- Preferred Sources have **10 days to respond** with an accept or release the procurement opportunity.
- Letter of Intent or Waiver Release will be required for procurement record.

Does the Preferred Source Meet My Needs?

- Every effort should be made to purchase from the Preferred Sources when the item meets the agency's needs.
- **Broadly interpret** the generic list of Preferred Source offerings.
- Requirements may include quality, quantity, delivery, packaging, performance standards, compatibility, timing, etc.
- Make reasonable efforts to notify preferred source of agency needs and initiate discussion of needs.
- **Have a conversation.** Consult directly with the preferred source to gain additional information and/or discuss potential accommodations to meet agency form, function, and utility needs.

Form, Function & Utility?

So what does that really mean?

Determining Form, Function, and Utility

- To apply the form, function and utility standard, define the commodity/service in terms of **the minimal essential requirements**.
- Requirements should not be over or understated. These requirements must relate to the **actual needs** and not be included to circumvent using the Preferred Sources.
- Does the commodity or service meet either agency specifications or industry standards which may be applicable?
- If there are deviations from specifications for a commodity, will a **substitute suffice** or substantially meet the minimum requirements for function and performance?
- Are deviations from services specifications minor? Could the service be made to suffice, or does it substantially meet the minimum requirements for function and performance?

Determining Form, Function, and Utility

(Continued)

- Can preferred source **make necessary accommodations** to meet agency purchasing needs?
- Can the Preferred Source deliver the goods or start the services within the necessary timeframe?
- The pricing must be within **15% of prevailing market pricing.**
- Purchasers should not accept a Preferred Source service which is **materially unsuited** to the needs of the agency.
- Purchasing Agencies have to be able to **justify** their decisions in their procurement records.

Determining Form, Function, and Utility Waivers

If an agency determines commodity **does not meet** form, function or utility:

Provide written notification

Preferred Source has 10 days to respond

If the preferred source provides a declination or does not respond, agency may proceed with purchase.

HOW DO I BUY A COMMODITY?

CHECK THE PREFERRED SOURCE LIST:

<http://www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf>

Must be purchased in the following prioritized order:

www.corcraft.org

www.nyspsp.org

www.nysid.org

www.omh.ny.gov (if OMH agency)

If the commodity you need is available, place your order

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HOW DO I OBTAIN A SERVICE?

CHECK THE PREFERRED SOURCE LIST BEFORE ISSUING A SOLICITATION!

<http://www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf>

There is **no priority** among the Preferred Sources for Services. Each of the Preferred Source websites contain a link to email the Preferred Source and the negotiations start by submitting your Scope of Work.

Working with the Preferred Source, **ensure the Services offered meets the form, function and utility of your agency**. If so, a contract is drafted and the pricing is agreed to between the Governmental Entity and the Preferred Source.

After you agree the pricing is reasonable, the Preferred Source submits the pricing to OGS for review and approval if the cost exceeds \$50,000.00.

After OGS pricing approval, the contract may have to be submitted to OSC for approval.

Wait a Minute! ...What about MWBE & Service Disabled Veteran Businesses?

MWBEs	Service Disabled Veterans
<p>Use of Preferred Sources...</p> <ul style="list-style-type: none">• Has priority over MWBE requirements• Value of Preferred Source agreements is removed from Agency Spending against Agency's MWBE goals• May include MWBE Corporate Partnerships, which can be used to meet agency MWBE goals. MWBE Corporate Partners must comply with the Full Time Direct Employment requirements of State Finance Law Section 162.	<p>Use of Preferred Sources...</p> <ul style="list-style-type: none">• Has priority over Service Disabled Veteran's contract requirements.• Value of Preferred Source agreements is removed from Agency Spending against Agency's MWBE goals

Supporting Preferred Sources

**QUESTIONS?
COMMENTS?**

Thank you!