

# For NYS Procurement Council Consideration

## OGS Feedback Received

### Regarding NYSID's Digital Printing Application

November 15 –December 12, 2013

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 Assembly member Saladino  
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 December 16, 2013  
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 March 28, 2014

THE SENATE  
STATE OF NEW YORK



JOHN A. DeFRANCISCO  
SENATOR, 50TH DISTRICT

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CHAIRMAN  
FINANCE  
COMMITTEE ASSIGNMENTS  
BANKS  
CODES  
JUDICIARY

November 15, 2013

RoAnn Destito, Commissioner  
NYS Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

I have been contacted by small business owners in my district regarding the award process for the NYS preferred choice contracts for digital printing. This group is concerned that this procurement methodology will impact their business by significantly reducing the number of businesses that will be awarded State contracts.

It is my understanding that during a review of the NYSID award at the October OGS Procurement Council meeting this issue was raised by council members because precise numbers as to the total amount of printing services required for New York State had not been provided, nor broken down by digital versus other types of printing.

I request that this action receive a thorough review to ensure that limited savings for the State will not result in a significant number of lost jobs for NY's small business community and negatively impact the modest economic gains that Upstate has begun to realize.

Very truly yours,

A handwritten signature in black ink that reads "John A. DeFrancisco". The signature is written in a cursive, flowing style.

John A. DeFrancisco  
State Senator

JAD/ki



PATRICIA A. FAHY  
Assemblymember 109<sup>th</sup> District

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

COMMITTEES  
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Children & Families  
Environmental Conservation  
Higher Education  
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Sports Development

November 20, 2013

Commissioner Roann Destitio  
MYS Office of General Services  
41<sup>st</sup>. Floor, Corning Tower  
Albany, New York 12242

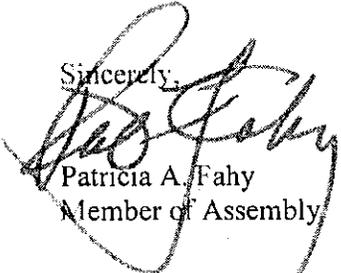
Dear Commissioner Destitio:

I am writing to support the approval of Digital Printing to the New York State Industries for the Disabled (NYSID) list of Preferred Source Offerings. This would increase the desperately needed employment opportunities for people with disabilities in my district and throughout the State. In addition, small businesses and MWBE's will also benefit from the inclusion of Digital Printing in the Preferred Source offerings.

If NYSID's application is approved, people with disabilities will be able to secure jobs well above minimum wage, which is essential in today's economic climate. It is crucial that we provide gainful employment to those individuals in our community who want to be contributing members of society but face discrimination and other barriers to securing gainful employment.

I strongly endorse the approval of adding Digital Printing to the New York State Industries for the Disabled list of Preferred Source Offerings and would appreciate anything that can be done to ensure its approval.

*Thanks for your attention to this matter!*  
PF

Sincerely,  
  
Patricia A. Fahy  
Member of Assembly

RECEIVED  
NOV 25 2013  
BY: \_\_\_\_\_



DAVID BUCHWALD  
Assemblyman 93<sup>rd</sup> District

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

COMMITTEES  
Consumer Affairs & Protection  
Election Law  
Governmental Operations  
Judiciary  
Local Governments

November 25, 2013

Christine Irvine  
Assistant Director of Contract Management  
Office of General Services  
Corning Tower, Empire State Plaza, 38th floor  
Albany, NY 12242

Dear Ms. Irvine:

I understand that the New York State Procurement Council is considering a preferred source application for digital printing services. A number of digital printers in and around my district in Westchester County have written to me expressing their concern as to the effect this preferred sourcing arrangement could have on their industry and their businesses. I write in the hope that their views will be taken into account before a decision is made on the application.

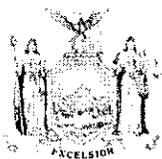
Most poignantly, I heard from a printing company that has over years resisted entreaties to move to Florida or Texas. This family company has been in New York for decades. The company employs 120 people in our State, with the vast majority of those jobs located in Westchester County. If a preferred source arrangement were to essentially exclude this company from state and local government business, the company would lose one of the anchors that keep its business headquartered in Westchester. The digital printing business, by its very nature, is especially capable of being moved across borders. I viewed the October meeting of the Procurement Council online, and in doing so I learned that the proposed preferred source provider expects to create 10 to 12 additional jobs if granted their request. If granting the application creates considerations among this Westchester business employing 120 individuals to move out of state, and especially if this decision-making process is repeated by printing companies across New York, then it would appear that the application has the potential to undermine some of the job growth goals we have in our State.

The printing business in general has struggled over the last few years. A printing company two blocks from where I live in White Plains, that had been open since 1969, shut down this past year. Digital printing has been one of the few bright spots in the industry. I urge the Procurement Council to consider well the economic implications of granting the proposed preferred source application for digital printing.

Yours sincerely,

David Buchwald  
Member of the New York State Assembly  
93<sup>rd</sup> District

cc: Nancy Fisher, Deputy Director, Small Business Division, NYS Department of Economic Development



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

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Codes Subcommittee on  
Criminal Procedure

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Codes  
Education  
Environmental Conservation  
Judiciary  
Tourism, Parks, Arts and  
Sports Development

DANIEL O'DONNELL  
Member of Assembly  
69<sup>th</sup> Assembly District

November 26, 2013

Commissioner RoAnn M. Destito  
Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito,

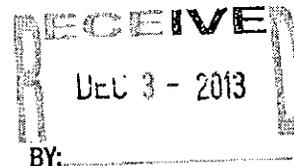
I have recently been contacted by a constituent in regards to an application submitted by New York State Industries for the Disabled, Inc. (NYSID) to add Digital Printing to their Preferred Sources Offering. I would like to receive information on the status of the decision.

While I understand the many benefits of the Preferred Sources Program and I applaud the work NYSID provides to New York State, my constituent is concerned as to how this decision may impact her company.

As such, I ask to be kept informed of the decision.

Very truly yours,

Daniel O'Donnell  
Assembly Member





WILLIAM B. MAGNARELLI  
Assemblyman 129<sup>th</sup> District

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIR  
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Steering

November 27, 2013

Ms. RoAnn M. Destito  
Commissioner  
NYS Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

I am writing you in your role as Chair of the NYS Procurement Council to support adding Digital Printing Services to the NYS Industries for the Disabled (NYSID) list of Preferred Source Offerings. Approving this addition will help provide more jobs to those with disabilities in New York. Additionally, the State will benefit economically from these services.

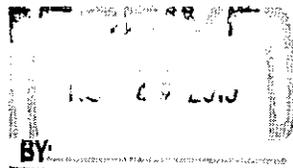
Adding Digital Printing to the Preferred Source Offerings list will create several new jobs across the State that pay well above the minimum wage. These jobs will include operating digital printing equipment, operating binding machines and overseeing quality control. This will provide more individuals with disabilities the ability to earn a paycheck, contribute to the community and lead more independent lives. Additionally, approval will mean more opportunities for small businesses and MWBEs in New York.

Therefore, I respectfully request you recommend that the NYS Procurement Council approve NYSID's application. Its approval will make a significant difference in the lives of many in our disabled community. Also, please feel free to contact me if I can be of further assistance.

Very truly yours,

William B. Magnarelli  
Member, NYS Assembly  
129<sup>th</sup> District

WBM/cms



December 4, 2013

Ms. RoAnn Destito, Commissioner  
New York State Office of General Services  
41<sup>st</sup> Floor, Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

Canfield & Tack Printing is very concerned over the recent application requesting NYSID be granted "Preferred Source" status for digital printing. After reading the NYSID application and discussing it with several peers and competitors, we found that there is very little fact in its content. We also feel that the end result will severely remove work from legitimate printing companies who desperately rely on the work of NYS backed facilities. We would like to express our opinion here regarding a couple of the points.

Canfield & Tack Printing is an \$18MM, 90 year old printing company located in both Rochester and Syracuse. We are 100% employee owned and are very relevant in both the commercial offset and digital printing markets. In addition to manufacturing almost 100% of our products internally, we also **regularly support two sheltered workshops** in the Rochester area with appropriate work. Despite our company's size, buying power, modern efficiencies, and equipment horsepower, we are operating in a dying industry. The number of printing jobs available let alone clients buying them is dwindling faster than many of us can keep up with. That being said, we rely **heavily** on work from institutions such as NYS colleges to keep us alive. Restricting what's left of this work to a handful of "qualified" vendors would further devastate our free economy and the landscape of NY business.

**PLEASE** understand that digital presses are **NOT** copiers. They absolutely **cannot** be operated by unskilled or by "limited trained employees with disabilities". The operators of these high-tech machines also **do not** make \$10.50/hr as described in Mr. Romero's July 24th letter to Ms. Irvine... many times their wage is double that amount! We cannot express enough how very different an office copier is from a digital press and even further, from an offset press. These are multimillion dollar machines that take up the space of an entire room.

We feel that you are being greatly misled by NYSID so that they can expand their own organization's needs. That the "corporate partners" referenced are falsely stating their use of disabled workers so that they can secure a larger portion of work with justification. Approval of this application will have a significant negative impact on a substantial number of New York State printing companies in the form of lost business and lost jobs. As I mentioned we **regularly use** shelters such as LAICO and Outsource in Rochester for a variety of hand work. It would be sadly ironic if the approval of the NYSID application resulted in both the loss of the jobs of other NY workers as well as the business currently going to the community rehabilitation agencies.

I appreciate you taking the time to read our opinion and hope that you will arrive at the same conclusion that we have: this application will only stand to harm the fragile economy of New York State.

Sincerely,

*Jason Henderberg*

Director of Manufacturing and  
Printing Industries Alliance Board Member

cc: Christine Irvine, Nancy Fisher, Tim Freeman

12/2/213

Good Afternoon, my name is Scott Ragone. I am writing this on behalf of my company, Custom Printers of Guilderland as well as my many other colleagues within the industry that couldn't write something on such short notice. I write to this council today with concern of a decision that may be catastrophic to the printing industry and the number of small businesses that do millions of dollars worth of business with the state.

About 3 years ago I bid on a very large contract with a State Agency that was worth close to one million dollars over two years. I found out that Custom Printers was about to be awarded the contract when it was suddenly halted and the purchasing agent told me that we were now losing the bid due to the fact that it had to be awarded to the Preferred Source (PS) because by law they had to go to them since they had the reproduction contract, and could produce the material on a digital press. As you can imagine, this was a sullen moment to my employees and myself. Due to the loss of the contract and fragile economy I had to lay off a few employees. I have experienced, heart ache, pain and death before, but the hardest thing I ever had to experience was having to sit an employee down look them in the face and explain to them that printing is getting tougher and technology is advancing at extreme speeds and due to the loss of state work to PS, I have to let you go, especially as a small business owner. As you can imagine seeing a grown adults face quiver in front of you and hear them plea about their family, bills and anything else you can imagine to keep their job; well it is a moment I strive extremely hard not to repeat and never wish another individual to go through again, especially for a shop of my size with 12 employees.

Having the contract taken away from me peaked my interest in what exactly a Preferred Source was. I decided to do my research and find out what a PS was and how I may go about becoming one, being a small business and woman owned enterprise I wondered if I could also become a PS printer and what steps I needed to follow to be one. In an trade that is so competitive, such as printing you are always looking for ways to do more business and be ahead of everyone else in the industry, such as investing in a digital press. I dug extremely hard and found nothing but dead ends on becoming one even being told that I flat out couldn't be one because they had enough PS printers. The dead

ends did prove worthy as I collected more information on the laws and regulations on what the PS did for the state. I completely get and understand what the PS stands for and do and why they do it, but one thing just didn't sit with me well at all. That was the fact that the PS was allowed to be within 15% on the lowest bid and there are only a handful of printers in the state allowed to use the PS services, in fact on the PS memorandum, they list 8 printers that the state can go to out of the probable thousands located in our great state, making competition completely null and basically a monopoly among these 8. If you ask me; that is definitely not a fair playing field by any means in any industry or business practice. It would be like asking all 20 million residents of NYS to shop at only 8 Walmart's when there are 96 scattered throughout the state and eliminating all the Targets and Kmart's that compete for the Walmart shoppers as well, who I'm sure are all looking for the best possible price they can find.

Fast-forward to a little over one year ago, the same bid I lost 3 years ago was now back on the contract reporter and up for bid again. I began reading it and immediately at the top there was a giant headline that said, "Please take note a PS printer has already offered to provide printing services for this, but the state will entertain bids." I was once again upset. How could the PS be allowed to take on another offset printing contract when the laws clearly state, that anything in excess of 85K must go through the competitive bid process? The PS is only allowed the photocopying/reproduction contract with the state, which by the way is completely different then printing and digital printing.

We submitted our bid and once again were the low bidder again but couldn't be awarded it in case the PS got the laws changed. I still sit in limbo 1 year later with no official award or deny letter from the agency. It dwarfs my opportunity to hire another skilled laborer to complete the contract.

If you kindly look at the PS team memorandum you will notice that they do a great job of defining what digital printing is, as of today, what they fail to mention that regardless of their definition; printing at the end of the day is still a manufactured process that requires skilled and experienced individuals, whether it is digital or offset. Printers take a product from scratch and produce a finished marketing piece on paper. The other thing they fail to mention is due to the green movement and delicate economy offset and digital printing go hand in hand. This booklet is a result of that. We ran the text on our

offset press while the cover was produced using our digital press to compliment the piece. We found that we were able to be more competitive doing things like that. Printing is an ever-changing industry where you need to be up to date on equipment or you will be swallowed up by the cutthroat nature of this business and your competitors.

In paragraph 7 under the NYSID Review of the memorandum the PS once again tries to define a process that is no way in fact 100% true. Printing is a skilled trade and very tedious art form. Believe me if it was as simple as pushing a button and walking away I could hire more employees and pay minimum wage to people that can be taught how to run a digital press in a day and my business would be expanded be on belief and I wouldn't be presenting this letter to the council. You still need to impose the file, match the color, adjust the image, and make sure each dot that makes the image is trapped correctly and that is just a few of the many tasks it involves. A duty that takes a competent employee with not only knowledge of printing, but with computers, math, and also be able to lift substantial amounts of paper, while also being able to use very heavy dangerous machinery to complete the job, whether it is a guillotine cutter, or booklet maker, people can lose limbs, break fingers and hurt themselves operating these machines with out the proper education and experience on them. According to the laws of the PS the disabled individual needs to do 30% of a contract, there are so many moving parts in the printing process I find it hard to believe the 30% will be done by one individual.

The memorandum also states that one of the major cons of awarding this contract is the fact that printers don't willingly share their prices, that is because profit margins in printing are so tight that company's will literally give work away to keep their cash flows going to pay bills, when I say tight, if I make 3% profit on a print job I did well. The PS pricing is also completely skewed due to the competition they selected. Of course, the PS click charge will be with in 15% of OGS, Kinko's and the Fed Ex store, that is because all those places do not do the volume other shops do to be competitive, they are not true printing houses. Not to mention they based their paper prices off of reams from Costco, Walmart and paper.com. Printers have access to Paper vendors and mills driving paper cost down while being able to produce multiple products on a larger sheet then a ream (usually consisting of 250 sheets at 8.5x11, while a print house has capabilities of buying lager sized sheets and cut them down). I'm sure the PS's 8 vendors have the same access

to the paper vendors every other printer across the state does. The other fault on the sample-pricing sheet is they fail to properly mention the way a click charge works. The best way to describe it is by using the Walmart theory and slogan, "More for Less." All printers that have digital presses have click charges, what makes them competitive is the amount of work they find for them to reduce the clicks. The more clicks the cheaper the price. Xerox, Fuji, and Kodak know the more business you do the more they do. It's a simple business practice, that is why the PS can be within the 15% on their scale, the examples they gave are not true to how the industry actually works. Fed-Ex, and the other companies are not true printers so of course their pricing will be extremely higher.

The other issue I have with the memorandum is while it mentions a click price they exclude to provide information on whether or not that is a bottom of the barrel overall click charge or if those click costs include a companies overhead or not (rent, insurance, labor, electric, heat, etc...). I would also like to mention that while they claimed to have contacted other printing companies in their pricing analysis, my company was never once contacted. I never had an opportunity to quote any product for accurate pricing. I would also like to note that as a Woman Business Enterprise (WBE), I am listed on many agencies bid lists as well as in the states database for MWBE. Saying that printers declined to provide pricing is not entirely true. I would of gladly submitted any quote if asked.

Lastly, I would like to state this: I grew up in a print shop, I am proud to say I am a 3<sup>rd</sup> generation member in my family to have studied printing and graduate with a Bachelors Degree of Science focusing on this industry, in fact the knowledge I was taught 10 years ago has slowly changed making way for newer technology. I have seen the printing system move so fast that it is hard to keep up with. I have been to seminars, conventions, and workshops just to be one step ahead of everyone else, it has been an expensive investment traveling all over the country to learn how to run, operate, and own a digital press. It makes sense the PS is cheaper then other state agencies, because agencies don't have the resources to do what it takes to run these machines. Who would ever have thought just 10 years ago we would stop using film in our cameras to take photographs, but store our photos on digital cameras and phones instead. Just because cameras don't use film anymore doesn't mean the photography business is dead; it just

means it is different. It's faster, and able to produce photos at a lower cost because certain steps have been eliminated, much like a digital press process. My point is as technology advances in all industries so does ours. I will also state that at the rate digital printing is moving offset presses will most likely be obsolete in roughly 10 years possibly sooner. What will happen then? Will the PS be able to start producing all printing material making the printing tab on the Contract Reporter obsolete? Will cities and other municipalities be able to piggyback on it as well taking more opportunities for small businesses to compete? The only reason digital presses have not replaced sheet fed, heat, and cold set web presses is simply the speed of offset presses can't be matched yet and the costly monies so many printers have made over the years to buy presses and equipment.

If this council does decide to award the PS this contract please remember that you will be alienating an entire industry that relies on state work. I'm sure the people that are reading this were appointed by elected officials, those elected officials certainly used union shops to print their marketing resources during their campaigns, which I wouldn't doubt used digital presses to print some material on an extremely tight dead line. Also, please keep in mind that you go against all the marketing taxpayers are paying for right now for a "New New York, Open for Business" because it will not be open for business. Business will be forced to close, residents to relocate to different states and taxes raised to supplement the higher unemployment lines that will be guaranteed, putting more strain on a state heavily in debit with more wasteful spending and upset citizens that it is supposed to lookout for and it honestly can't afford anymore anxiety to their already tight budgets. The unemployment of printers will far exceed the 43% of disabled persons unemployed. This lightly put is a bad gamble for the state; it caters to a small minority in an already small sliver of work provided.

In conclusion, I would like to say thank you for your time in reading this letter and to also address this issue; I would be more than happy to answer any questions or concerns this council may have and it would be my pleasure to provide a tour of our print facilities to anyone interested. Seeing the makings and doings of how manufacturing works is always an exhilarating and educating experience and one that I would gladly

provide. My information is provided at the bottom of this letter to any wishing to contact me and I again thank you for your time.

Sincerely,

Scott C. Ragone  
Custom Printers of Guilderland  
2210 Western Ave  
Guilderland, NY 12084  
518-456-2812 ph.  
518-456-1093 fax  
[scott@guilderlandprinting.com](mailto:scott@guilderlandprinting.com)  
[www.guilderlandprinting.com](http://www.guilderlandprinting.com)  
NYS Certified Woman Owned Enterprise

THE SENATE  
STATE OF NEW YORK



**PATRICK M. GALLIVAN**

December 2, 2013

Commissioner RoAnn Destito  
Office of General Services  
Corning Tower  
Empire State Plaza  
Albany, NY 12242

**Re: New York State Non-Profit "Preferred Choice" Status**

Dear Commissioner Desito:

Our office has been contacted by Steve Harrison, President of the Genesee Valley Pennysaver, inquiring about the specifics of the above-referenced matter and the timeline of when a determination will be made. As his business is involved in digital printing, he is very concerned about the potential impact on his bottom line.

Please feel free to contact me directly with any questions and thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink that reads 'Patrick M. Gallivan'.

Patrick M. Gallivan  
59<sup>th</sup> Senate District

cc: Mr. Steve Harrison, President  
Genesee Valley Pennysaver  
5126 Twin Falls Lane  
Avon, NY 14414

□ ALBANY OFFICE  
ROOM 947  
LEGISLATIVE OFFICE BUILDING  
ALBANY NEW YORK 12247  
518 455 3471

□ 59TH DISTRICT OFFICE  
2721 TRANSIT ROAD  
SUITE 116  
ELMA NEW YORK 14059  
716 656 8544

□ SATELLITE OFFICE  
143 NORTH MAIN ST  
ROOM 103  
WARSAW NEW YORK 14569  
585 786 5048

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GENESEO NEW YORK 14454  
585 243 6929

□ SATELLITE OFFICE  
GENESEE VALLEY REGIONAL  
MARKET ADMINISTRATION BLDG  
900 JEFFERSON RD SUITE 202  
ROCHESTER NY 14623



December 2, 2013

Ms. RoAnn Destito, Commissioner  
New York State Office of General Services  
41<sup>st</sup> Floor, Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

Printing Industries Alliance is the trade association representing printing and print-related businesses in New York State. As you know, printing plays a significant role in the New York State economy. There are over 2,500 printing firms located in practically every city, town and village in New York State. These businesses provide well paying manufacturing jobs to our families, friends, and neighbors, pay taxes and support our communities.

We are greatly concerned about the NYSID application in front of the New York State Procurement Council. The application is requesting NYSID be granted "Preferred Source" status for digital printing. We have reviewed the NYSID application and find it full of inaccuracies, suppositions, and assumptions. Very little of what they use as rationalization for this request is based in fact.

A part of our concern is the proposed "private sector" partnership between NYSID and a select group of printers from around the state. If approved, this relationship will create a monopoly for this select group, in what we estimate is a 600 million dollar market.

Approval of this application will have a significant negative impact on a substantial number of New York State printing companies in the form of lost business and lost jobs. It is important to understand that we are extremely sensitive to the importance of providing jobs for disabled New Yorkers. In fact, many of our members currently employ disabled New Yorkers in a variety of positions and almost all of them utilize New York State community rehabilitation agencies as valued participants in their production process. It would be ironic and unfortunate if approval of the NYSID application resulted in loss of these jobs and a reduction in business going to the community rehabilitation agencies.

We have submitted additional comments to the Procurement Council for its next meeting and hope to have a positive decision regarding this issue. I would like to learn more about the NYS print procurement process and discuss how we might be able to assist OGS in understanding the continuing evolution of printing technology and its' impact on the OGS role of obtaining the best value for New York State taxpayers. With that in mind, I would be most appreciative if we could schedule a brief meeting, at your convenience, to exchange ideas.

Thank you for your time and consideration. I will contact your office regarding your availability for a meeting.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tim Freeman", is written over a horizontal line.

Timothy Freeman,  
President

[www.PIAAlliance.org](http://www.PIAAlliance.org)

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## Printing Industries Alliance commentary on NYSID Preferred Source application for digital printing

### ▪ Introduction

Printing Industries Alliance is the trade association representing printing and print-related businesses in New York State. We have had the opportunity to review the NYSID application to add digital printing as part of their preferred source offerings on a statewide basis.

While supportive of the necessity to provide employment opportunities to all New Yorkers, we believe that this application, if approved, will create a significant loss of jobs within our industry. We also find the NYSID application to be full of assumptions and suppositions and short on facts in several key areas. The following information has been prepared to provide the reader with information about the New York State printing industry, how economic and technological factors have impacted the industry, information about digital and offset printing economics, the competitive nature of the New York State industry, concerns we have with the NYSID application and why its approval will mean the loss of a significant number of well-paying New York State manufacturing jobs.

### ▪ New York State Printing Industry Demographics

The printing industry is a significant contribution to the New York State economy. Most recent figures released by the Printing Industries of America Economics and Research Department indicate the following for the New York State Market:

# of Establishments:	2,591
# of employees:	65,253

**Source: 2010 Print Market Atlas – Published by Printing Industries of America**

Although these statistics are impressive, they are also misleading. The ongoing recession and technological change has caused a significant erosion in the industry over the past 10 years:

	2010 Print Market Atlas	2000 Print Market Atlas	Net Decrease
# of Establishments	2,591	3,748	-1,157 Companies
# of Employees	65,253	88,204	-22,951 Jobs

**Source: 2000 and 2010 Print Market Atlas, Published by Printing Industries of America**

It is important to understand that despite its size, the New York State printing industry is a hometown, small business industry. Of the 2,500 plus printing firms in the State, 61% employ under 10 people and fully 89% of these businesses employ under 50 people. There is a printer in practically every city and town in the state. These firms employ our families, friends and neighbors, as well as provide jobs that pay taxes, buy houses, and put children through college.

**New York State Printing Establishments by Size**

<u># of Employees</u>	<u># of Companies</u>
1-4	901
5-9	676
10-19	409
20-49	332
50-99	142
100-249	94
250+	37

**Source: 2010 Print Market Atlas – Published by Printing Industries of America**

▪ **Wage and Benefits**

The following information is from the 2013 Printing Industries Alliance Wage and Benefit Survey:

Job Title	Average Hourly Rate
Digital Color Press Operator	\$18.00
Production Copier – Color	\$17.54
Production Copier – Black & White	\$13.70
Information Technology Manager	\$74,060*
MIS/IT Support	\$24.04
Desktop Operator (Document Preparation)	\$22.05
Digital Wide Format Operator	\$14.00
Finishing	\$14.89
Quality Control/Shipping	\$14.01

\* Average Annual Salary

In general, most printing firms provide excellent benefit packages, regardless of size:

- 98% provide health insurance coverage
- 25% provide dental insurance coverage
- 60% provide group life insurance
- 81% provide a 401(k) plan

**Source: 2013 Printing Industries Alliance Wage and Benefit Survey (except for Wide Format Digital which was obtained through industry contacts and is estimated)**

▪ **Competitiveness and Profitability**

The New York State Printing Industry is incredibly competitive. Bids worth hundreds of thousands of dollars are often won or lost by a few hundred dollars either way. For example, the winning bid for the 2012 I Love NY Travel Guide was \$192,683. The next highest bid was \$194,433, less than 1% difference. I am sure the OGS staff has plenty of anecdotal evidence in this regard. The competitive nature of the business is created by the constant introduction of more productive equipment and overcapacity in the industry. Competition is good; it makes for leaner, more effective producers.

With such competitive levels, it is no wonder that profit margins in the industry are razor thin. In 2012, printers in New York State made 2.23% of sales before income taxes. **(Source: 2013 Printing Industries of America Financial Ratio Study)** See the following illustration.

Printing Industries Alliance	All Printers
REPORT ON OPERATIONS – SALES = 100%	All Firms
Sales or Value Added of Product Produced	<u>100%</u>
Factory Cost of Product	
Materials	
Paper	24.62
Other chargeable materials	8.18
Outside services	<u>6.90</u>
Total Materials	39.70
Factory Payroll	26.66
Factory Expenses	<u>16.38</u>
Total Factory Cost of Product	82.74
Gross Profit	17.26
Administrative and Selling Expenses	
Administrative expenses	7.72
Selling expenses	6.71
Total Administrative and Selling Expenses	14.43
Income before Interest Expense	2.83

Interest expense	.99
Operating Income	1.84
Other income	.39
Income Before Income Taxes	2.23%

**Source: 2013 Printing Industries of America Financial Ratio Study**

▪ **Capital Investment**

Printing is an extremely capital-intensive business. Ongoing and rapid technological change makes it necessary for printers to constantly reinvest in the business to remain competitive.

The cost of a digital printing press ranges from \$70,000 to \$1,000,000 and more. Necessary pre-press equipment and data management technology will run another \$15,000, at minimum. Addition of the necessary bindery equipment would mean thousands of dollars in additional expense. At a 2.23% profit margin, a 1 million dollar a year printer will have about \$23,000 to reinvest at year end. That makes every investment decision critically important. Cumulatively, the average printer has approximately \$101,000 invested in Machinery and Equipment for every employee in their business. **(Source: 2013 Printing Industries of America Financial Ratio Study)**

- **Lost printing industry sales means lost printing industry jobs. For every million dollars in lost sales, the industry loses 5 – 7 jobs. Source: Dr. Ron Davis, Senior Vice President and Chief Economist, Printing Industries of America.**

▪ **Profile of a typical New York State printing company**

As you can see from above, the typical New York State printer is a small business, most likely under 20 employees. They are providing a custom manufactured product to a variety of end users. Because of poor economic conditions, they have downsized their workforce and the owner is now wearing multiple hats including Chief Financial Officer, Human Resource Manager and Sales Executive, and more.

They have most likely made the investment in equipment and human capital to add digital capabilities. This investment is significant but getting into digital is necessary for companies that want to survive.

Our printer provides good, stable manufacturing jobs with an excellent benefit package for the size of the company. He is involved in the local community and most likely contributes free printing to local civic causes, tourism organizations, schools, etc.

Our printer knows they operate in an extremely competitive market and is continuously looking for ways to lower costs and deliver value to customers. Their ability to do so is imperative if they are to continue to provide jobs to New York workers.

▪ **Pricing**

There is some discussion about the inability to get pricing from the industry for benchmarking. The application “speculates” that printers won’t release prices unless there is a business opportunity. In

reality, the vast majority of printers do not have a price list. Printing is a custom manufacturing business. There are a diverse set of variables that impact pricing which makes it impossible to publish price lists, for the most part. Also, the process of issuing a quotation is time consuming and costs money. To do it as an exercise to provide benchmarking information to a competitor is unlikely.

## ▪ **Concerns We Have with the NYSID Application**

### **1. From NYSID Application:**

The application requests that Digital Printing be added to the “Preferred Source” listing as a third form of Document Processing.

#### **Printing Industry Response:**

Digital Printing is not Document Processing (or Photocopying or Reproduction). The adoption of Digital Printing requires significant investment in equipment and employee skills. As previously stated, a digital printing press starts at about \$70,000 and can run over \$1,000,000 in cost. A digital front end for file correction and formatting will cost a minimum of \$15,000 and can run into the hundreds of thousands. Data and mail processing technology and software is another \$10,000 and up. The average salary for an IT manager is \$74,000 a year. MIS/IT support is close to \$50,000 per year. A document preparation employee to review, format and fix incoming computer files is \$47,000 per year.

Production operators need to know various software programs, color theory, machine calibration and more. This is a far cry from pressing a button and operating an office copy machine.

### **2. From NYSID Application:**

The application states there is no “press set up” process in digital printing.

#### **Printing Industry Response:**

While the setup process is different than offset, there is a setup process that is often very difficult. First, the graphic file that is received over the computer needs to be reviewed and often fixed, to get it into a printable configuration. Industry Sources, including the Digital Printing Council, indicate that approximately 50% of the computer files received need to be fixed before they are able to be printed on a digital printing press. This often takes hours and requires the operator to know various software programs and other technical information.

### **3. From NYSID Application:**

The application states that digital printing is generally used for short run print jobs.

#### **Printing Industry Response:**

While this may have been true when digital printing was introduced 20 plus years ago, the same cannot be said now. Advances in technology have increased running speeds and sheet sizes, which has

generated a significant increase in productivity for longer runs. On the horizon is inkjet digital printing which is designed for extremely long runs, potentially into the millions of pages.

It is also up to the printer to decide whether to run a job as digital or offset. While there are economic considerations that influence the decision, there are other factors as well. These factors include delivery dates, size and weight of paper stocks and production needs. The only real determining factor *at this time* is whether the job is static or contains variable data as variable data must be done on a digital device. However, also on the horizon is variable data offset printing.

#### **4. From NYSID Application:**

The application states “Digital Printers resemble large copiers and the operation of digital printing equipment requires less skill compared to the expertise needed to operate an offset press. Therefore with minimal training digital printing can offer employment opportunities to individuals with disabilities . . .”

#### **Printing Industry Response:**

First, to compare a digital printing press to a copier is akin to comparing the space shuttle to a bi-plane. The digital press is stuffed with electronic capabilities and technologies that give it the capabilities to print over 6,000 sheets per hour in full color at photographic quality.

Second, with average annual wages running from \$37,000 and up, these positions require a significant level of training and experience to perform.

#### **5. From NYSID Application:**

The jobs to be performed by New Yorkers with disabilities include:

- Document preparation
- Digital small format
- Digital large format
- Finishing
- Quality control and shipping

#### **Printing Industry Response:**

We have supplied Industry Job Descriptions for these positions which will illustrate the tasks involved and training necessary.

#### **Document Preparation:** (industry job description)

Process complex electronic files and proofs according to company specifications and quality criteria. Knowledge of all prep equipment; ability to produce and accurately interpret color corrections; understand color management; accurately composite multiple pages images in image editing software.

#### **Digital small format:** (industry job description)

Configures digital printing equipment and prints job per job specification. Responsible for workflow, scheduling, and job quality for each job.

**Digital large format:** (industry job description)

Operates wide-format inkjet devices for production of point of purchase signage and other products, on a variety of substrates.

**Finishing:** (industry job description)

Responsible for setup and operation of a variety of bindery equipment including folders, cutting, stitching, drilling, shrink wrapping, perfect binding.

**Quality control and shipping:** (industry job description)

Warehouse clerical/administrative job whose primary duties include the following: to ship goods from the establishment, prepare records of goods shipped, make up bills of lading, post weight and shipping charges, keep files of shipping records, receive incoming shipments of merchandise or other materials, verify correctness of shipments against bills of lading, invoices, etc. Work may include material handling.

**Source:** 2013 Printing Industries Wage and Benefit Survey

**6. From NYSID Application:**

The application states “Granting preferred source status to NYSID for Digital Printing should increase jobs for New Yorkers since government agencies may otherwise choose out-of-state vendors to meet their printing/reproduction needs.”

**Printing Industry Response:**

First of all, this statement is pure speculation. Second, granting preferred source status for NYSID will result in loss of jobs within the NYS print community and possible retaliation from other states, which will negatively impact our economy.

**7. From NYSID Application:**

“Granting Preferred Source status to NYSID for Digital Printing *should* increase jobs for New Yorkers, since government agencies may otherwise choose out-of-state vendors to meet their printing/reproduction needs.”

“State agencies that do in-house printing would *most likely* save money by using NYSID for Digital Printing services.”

**Printing Industry Response:**

The NYSID application is asking the Procurement Council to make a decision that will negatively impact jobs and business using a proposal that makes speculations with little or no concrete facts. Where is the documentation that supports these contentions? These are simply assertions appearing as facts.

## **8. From NYSID Application:**

“Open Book New York records that between 1/1/11 and 12/31/12, NYS agencies spent \$7,676,865.37 on general printing services, or approximately \$4,000,000 per year. It is not specified which of those jobs were for Digital Printing, but it is safe to exclude contracts greater than \$250,000 in two years, since they would be too large for Digital Printing. That leaves 39 contracts, equaling \$3,860,383.24 or about \$2 million per year. We recognize that the contracts on Open Book New York are not comprehensive, but reflect perhaps one-fourth of the State spending for printing services. Therefore, we estimate the total market for Digital Printing among NYS agencies to be about \$8 million.”

### **Printing Industry Response:**

You can't exclude a \$250,000 contract as not being done digitally, based on the size of the contract. If it was a variable data job, it would have to be done digitally. In fact, we asked the Chief Economist at Printing Industries of America to estimate the size of all state and local printing, funded by taxpayers, done digitally, in New York State. The estimate is somewhere around \$600,000,000 per year at this time and expected to go to \$900,000,000 in 10 years. This is a very rough estimate but it is safe to say that the total is closer to \$600,000,000 than \$8,000,000. (Source: **Dr. Ron Davis, Senior Vice President and Chief Economist, Printing Industries of America**)

## **9. From NYSID Application:**

The approval of this request should result in the increase of Digital Printing business for NYS companies, make Digital Printing easier for NYS agencies that would no longer be required to bid contacts, and save money for agencies who currently print in-house. It will also complement and enhance NYSID's Document Processing and Mail services.

### **Printing Industry Response:**

This is, again, pure speculation. Approval of the request will mean loss of jobs within the New York State printing industry. We are not sure how “not bidding contracts” makes doing digital printing easier for the agency. It certainly makes it easier for the print provider not having to prepare a bid! Using a 20-year-old study to project a cost savings on printing is the equivalent of guessing.

### **▪ Summary**

Printing Industries Alliance is requesting the Procurement Council deny the NYSID application to add Digital Printing to the list of “Preferred Source Offerings” for the following reasons:

1. Approval of the application will have a significant negative impact on a substantial number of New York State companies who are already under enormous stress from the economic recession and other factors.
2. Granting “Preferred Source” status will result in the loss of well paying manufacturing jobs within the New York State printing industry.

3. The “thriving corporate partnerships” referred to are five printing companies out of a potential universe of over 2,500. Granting “Preferred Source” status for the digital printing market, as proposed by NYSID is akin to creating a monopoly to benefit these five individual companies.
4. Granting preferred source status in a market that has been estimated to approach \$600,000,000 per year does not provide the transparency and level playing field that the New York State taxpayer deserves.
5. A majority of our members currently utilize New York State community rehabilitation agencies as a vital part of their production process. There are already proven opportunities for people with disabilities in our industry. A number of companies already employ handicapped, hearing impaired, and vision impaired individuals as well as a large number of veterans. It would be ironic and unfortunate if the decreased business to New York State printers resulted in less utilization of community rehabilitation agencies and lost jobs within that community.
6. The competitive nature of the New York State printing industry already delivers rock bottom pricing to governmental entities purchasing digital printing.
7. There is no way for OGS to reliably police whether a printing contract is being produced digitally or offset.
8. It does not appear that any other state in the country has a similar practice regarding printing except Maryland. They have a similar preferred source arrangement for correctional facilities.
9. NYSID does not have the requisite experience or training to produce digital printing.
10. NYSID has not demonstrated industry knowledge and market comprehension in making this proposal. The application is full of outdated information and speculation.
11. If approved, the rationale and reasoning in the NYSID application could be applied to offset printing as well which would jeopardize thousands more jobs in New York State.
12. Printing Industries Alliance is committed to the goal of providing gainful and rewarding employment for all New Yorkers. With that in mind, the organization and its’ membership will work with NYSID and other organizations to develop solutions that will provide winning outcomes for all.

For further information:

Timothy Freeman, President  
Printing Industries Alliance  
636 North French Road, Suite 1  
Amherst, NY 14228  
(716) 691-3211  
tfreeman@PIAlliance.org

LEGISLATIVE INQUIRIES – RECORD OF CONTACT

To: OGS Commissioner  
OGS Executive Deputy Commissioner  
OGS Public Information Officer  
OGS Counsel

Date: December 12, 2013

From: **Joseph Better, Contract Management Specialist 2**  
(OGS Employee Name and Title)

Subject: Record of Contact of Legislative Inquiry from Members of State Assembly, Senators, Legislative Staff, Members of Congress, Elected or Appointed Officials

I received a legislative inquiry as follows:

Name: Evan Schneider

Address:

Telephone Number: 518-455-2225

Place of Principal Employment: Office of Senator Neil Breslin

Occupation:

Date of Contact: December 3, 2013

By Telephone  In Person  Correspondence  E-Mail  Other

Summarize the form (e.g., e-mail, letter, conversation) and topic of the communication of the legislative inquiry:

I received a phone call from Mr. Schneider who is a staffer for Senator Breslin. He stated he had received several questions from constituents in the printing industry regarding a Preferred Source Application submitted by NYSID to add this service and wanted a better understanding of the process.

I provided a factual overview of the State Finance Law, and a summary of the status of our review of the NYSID Digital Printing Application disclosed at the previous two Procurement Council Meetings (Public Information Only).

Mr. Schneider asked if there was anyone either his office or his constituents could send their concerns/comments to.

I contacted OGS counsel. They stated that Senator Breslin/his constituents could email their comments/concerns directly to my supervisor and I.

I called Mr. Schneider again, and explained that he/his constituents could email their comments/question to my supervisor and I. We would then forward these concerns to the Procurement Council.

(add additional pages or copies of written communications as necessary)

CECILIA F. TKACZYK  
SENATOR, 46TH DISTRICT

ALBANY OFFICE  
ROOM 311

LEGISLATIVE OFFICE BLDG.  
ALBANY, NY 12247  
(518) 455-2470

DISTRICT OFFICE  
42 CROWN STREET  
KINGSTON, NY 12401  
(518) 331-3810

SATELLITE OFFICE  
1170 RIVERFRONT CENTER  
AMSTERDAM, NY 12010  
(518) 342-2407



THE SENATE  
STATE OF NEW YORK

RANKING MINORITY MEMBER  
ELECTIONS  
MENTAL HEALTH &  
DEVELOPMENTAL DISABILITIES  
COMMITTEES  
AGRICULTURE  
CHILDREN & FAMILIES  
EDUCATION  
ENVIRONMENTAL CONSERVATION  
VETERANS, HOMELAND SECURITY &  
MILITARY AFFAIRS

Commissioner RoAnn Destito  
Office of General Services  
Corning Tower, Empire State Plaza  
Albany NY 12242

December 5, 2013

Dear Commissioner Destito,

I am writing to request your support for the approval of Digital Printing to the New York State Industries for the Disabled (NYSID) list of Preferred Source Offerings. The addition of Digital Printing services to NYSID's list of Preferred Source Offerings would significantly increase desperately needed employment opportunities in both my district and throughout the state for people with disabilities. In addition to creating jobs for people with disabilities, small businesses and MWBE's in New York will also benefit from the inclusion of Digital Printing in the Preferred Source Offerings.

In its memorandum reviewing NYSID's application to add Digital Printing to its list of Preferred Source Offerings, your office recommended that the State Procurement Council approve NYSID's application, and it is now under your consideration. I respectfully request your assistance in securing the Council's approval of NYSID'S application.

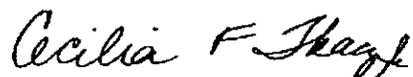
If approved, people with disabilities will be able to secure jobs that pay well above the minimum wage. Specifically, the jobs created and performed by New Yorker's with disabilities through this approval will include operating digital printing equipment to generate printed materials in accordance to customer specifications which often require changes in the equipment set up variables such as dimension, color or contrast. These operators will also insure proper quality levels and compliance to customer specification. Other individuals with disabilities will be trained to operate bindery machines. The operators load, operate and maintain machines that perform a wide array of binding functions including, but not limited to, saddle stitching, perfect binding, spiral binding and/or wire binding. Other responsibilities of a bindery machine operator are folding, cutting and collating as well as insuring that a machine is properly loaded with the appropriate size and type paper. Lastly, New Yorkers with disabilities working on digital

printing contracts will provide quality control by reviewing the final product as well as prepare it for shipping to the customer.

While tens of thousands of New Yorkers have benefited from the Preferred Source Program and have taken advantage of the opportunity to go to work, earn a paycheck and become contributing members of New York's economy, there remain too many New Yorkers in our community willing but, unable to contribute to the economic vitality of New York State because they face discrimination and other barriers to securing gainful employment. Approving the inclusion of Digital Printing in the Preferred Source Offerings, is in the State's best economic interest, and is morally the right thing to do.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Cecilia F. Tkaczyk".

Senator Cecilia Tkaczyk  
State Senator 46 S.D

THE SENATE  
STATE OF NEW YORK



**GEORGE D. MAZIARZ**  
Senator, 62nd District

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**E-MAIL ADDRESS:**  
maziarz@nySenate.gov

**VICE PRESIDENT PRO TEMPORE**  
**CHAIRMAN**  
ENERGY & TELECOMMUNICATIONS  
**COMMITTEE MEMBER**  
CONSUMER PROTECTION  
CRIME VICTIMS, CRIME & CORRECTION  
EDUCATION  
ENVIRONMENTAL CONSERVATION  
HIGHER EDUCATION  
RULES  
TRANSPORTATION

December 6, 2013

Commissioner RoAnn Destito  
NYS Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

It is my understanding that the NYS Office of General Services is considering an application from NYSID to create a "Preferred Choice" sourcing arrangement for digital printing. This proposal would allow NYSID to partner with a small, select group of printers from around New York State to produce digital printing.

If approved, NYSID and these printers would have "Preferred Source" status for digital printing and they would be able to bid up to 15% higher than the lowest bid and still get the work. Covered under this "Preferred Source" blanket would be state and local governments, authorities, public universities and schools, tourism agencies, and more. Essentially, any entity funded in whole or in part by state tax dollars would be subject to this arrangement.

I have been contacted by several printers in Western New York and I share their fears that this action would create a monopoly for the digital printing market. The chief economist for the Printing Industries of America has estimated that the volume of taxpayer-funded work that is potentially covered by the NYSID application could approach \$600 million dollars per year.

The NYSID application, if approved, will mean a loss of good manufacturing jobs in the print industry locally. Taxpayer costs may also increase due to the removal of a significant amount of competition during the bidding process. Clearly, these are unwanted outcomes that must be taken into account.

In closing, let me reiterate my concern about the NYSID application. I understand a decision on this may be made soon, and I strongly urge you to consider the impact on our local economy and our community if these print jobs are lost.

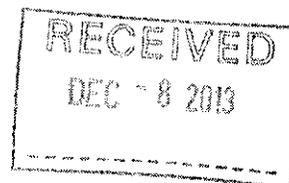
Thank you very much for your timely attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "George D. Maziarz". The signature is fluid and cursive.

George D. Maziarz  
Senator, 62<sup>nd</sup> District

CC: Deputy Commissioner Steve Cohen, Empire State Development



LEGISLATIVE INQUIRIES – RECORD OF CONTACT

To: OGS Commissioner  
OGS Executive Deputy Commissioner  
OGS Public Information Officer  
OGS Counsel

Date: December 12, 2013

From: **Joseph Better, Contract Management Specialist 2**  
(OGS Employee Name and Title)

Subject: Record of Contact of Legislative Inquiry from Members of State Assembly, Senators, Legislative Staff, Members of Congress, Elected or Appointed Officials

I received a legislative inquiry as follows:

Name: Mark Lundberg

Address:

Telephone Number: 518-455-5002

Place of Principal Employment: Assembly Minority Services Office

Occupation:

Date of Contact: December 10, 2013

By Telephone  In Person  Correspondence  E-Mail  Other

Summarize the form (e.g., e-mail, letter, conversation) and topic of the communication of the legislative inquiry:

I received a phone call from Mr. Lundberg who is a staffer for the Assembly Minority Services Office. He stated he had received several questions from constituents in the printing industry regarding a Preferred Source Application submitted by NYSID to add this service and wanted a better understanding of the situation surrounding this application.

I provided a summary of the status of our review of the NYSID Digital Printing Application disclosed at the previous two Procurement Council Meetings (Public Information Only).

Mr. Lundberg asked if there was anyone either his conference members or their constituents could send their concerns/comments to.

I explained that his conference members/their constituents could email their comments/question to my supervisor and I. We would then forward these concerns to the Procurement Council. OGS Legal had previously directed us to respond in this way.

(add additional pages or copies of written communications as necessary)

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NEW YORK  
STATE  
SENATE

ALBANY, NEW YORK 12247



DAVID J. VALESKY  
SENATOR, 53RD DISTRICT

DEPUTY LEADER, INDEPENDENT DEMOCRATIC CONFERENCE

CHAIRMAN  
COMMERCE, ECONOMIC DEVELOPMENT  
AND SMALL BUSINESS

COMMITTEES:

AGING  
AGRICULTURE  
BANKS  
EDUCATION  
HIGHER EDUCATION  
INSURANCE  
RULES

December 6, 2013

Commissioner RoAnn Destito  
Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

I have received correspondence from several constituents who are concerned about a proposal from NYSID to create a "Preferred Choice" sourcing arrangement for digital printing. Please see their comments on the enclosed hard copies. I urge you to keep their concerns in mind as you proceed through your decision-making process.

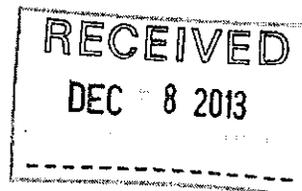
Sincerely,

A handwritten signature in black ink that reads "David J. Valesky".

David J. Valesky  
State Senator, 53<sup>rd</sup> District

Enc.

DJV/tlc





**NYS Procurement Issue**  
Jeffrey Schoenfeld to Senator David Valesky

11/11/2013 08:20 AM

Dear Senator Valesky,

I am writing to ask your assistance in a matter of great concern to my business. The New York State Office of General Services is considering an application from a New York State non-profit, NYSID, to create a "Preferred Choice" sourcing arrangement for digital printing. The proposal would allow NYSID to partner with a small, select group of printers from around New York State to produce digital printing.

If approved, NYSID and these printers would have "Preferred Source" status for digital printing and they would be able to bid up to 15% higher than the lowest bid and still get the work. Covered under this "Preferred Source" blanket would be state and local governments, authorities, public universities and schools, tourism agencies and more. Essentially, any entity funded, in full or part, by New York State tax dollars would be subject to this.

Essentially, what this does is create a monopoly for the growing digital printing market. The Chief Economist for Printing Industries of America has estimated the volume of taxpayer-funded work that is potentially covered by the NYSID application could approach \$600 million dollars a year.

The NYSID application, if approved, will mean a loss of good manufacturing jobs at my company. These jobs provide a good living for my employees, pay mortgages and taxes and put children through college.

Taxpayer costs will also increase due to the removal of a significant amount of competition from the bidding process.

I would urge you to email, write or call -

Commissioner RoAnn Destito  
Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242  
Phone: (518) 474-5991

to voice your concern about this issue.

Thank you for your assistance.

Sincerely,

Jeffrey Schoenfeld  
4047 Nelson Rd  
Cazenovia, NY 13035



**NYS Procurement Issue**  
Ralph R Stewart to: Senator David Valesky

11/12/2013 08:20 AM

Dear Senator Valesky,

I am writing to ask your assistance in a matter of great concern to my business. The New York State Office of General Services is considering an application from a New York State non-profit, NYSID, to create a "Preferred Choice" sourcing arrangement for digital printing. The proposal would allow NYSID to partner with a small, select group of printers from around New York State to produce digital printing.

If approved, NYSID and these printers would have "Preferred Source" status for digital printing and they would be able to bid up to 15% higher than the lowest bid and still get the work. Covered under this "Preferred Source" blanket would be state and local governments, authorities, public universities and schools, tourism agencies and more. Essentially, any entity funded, in full or part, by New York State tax dollars would be subject to this.

Essentially, what this does is create a monopoly for the growing digital printing market. The Chief Economist for Printing Industries of America has estimated the volume of taxpayer-funded work that is potentially covered by the NYSID application could approach \$600 million dollars a year.

The NYSID application, if approved, will mean a loss of good manufacturing jobs at my company. These jobs provide a good living for my employees, pay mortgages and taxes and put children through college.

Taxpayer costs will also increase due to the removal of a significant amount of competition from the bidding process.

I would urge you to email, write or call -

Commissioner RoAnn Destito  
Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242  
Phone: (518) 474-5991

to voice your concern about this issue.

Thank you for your assistance.

Sincerely,

Ralph R Stewart  
400 Old Liverpool Rd  
Liverpool, NY 13088



**NYS Procurement Issue**  
Mark Cherchio to: Senator David Valesky

12/04/2013 08:20 AM

Dear Senator Valesky,

I am writing to ask your assistance in a matter of great concern to my business. The New York State Office of General Services is considering an application from a New York State non-profit, NYSID, to create a "Preferred Choice" sourcing arrangement for digital printing. The proposal would allow NYSID to partner with a small, select group of printers from around New York State to produce digital printing.

If approved, NYSID and these printers would have "Preferred Source" status for digital printing and they would be able to bid up to 15% higher than the lowest bid and still get the work. Covered under this "Preferred Source" blanket would be state and local governments, authorities, public universities and schools, tourism agencies and more. Essentially, any entity funded, in full or part, by New York State tax dollars would be subject to this.

Essentially, what this does is create a monopoly for the growing digital printing market. The Chief Economist for Printing Industries of America has estimated the volume of taxpayer-funded work that is potentially covered by the NYSID application could approach \$600 million dollars a year.

The NYSID application, if approved, will mean a loss of good manufacturing jobs at my company. These jobs provide a good living for my employees, pay mortgages and taxes and put children through college.

Taxpayer costs will also increase due to the removal of a significant amount of competition from the bidding process.

I would urge you to email, write or call -

Commissioner RoAnn Destito  
Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242  
Phone: (518) 474-5991

to voice your concern about this issue.

Thank you for your assistance.

Sincerely,

Mark Cherchio Regional sales director  
Regional sales director  
Midstate Printing Corp  
230 Ainsley Dr  
Syracuse, NY 13210

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIR  
Real Property Taxation

COMMITTEES  
Corporations, Authorities and Commissions  
Election Law  
Governmental Operations  
Health  
Minority Steering

SANDRA R. GALEF  
Assemblywoman

December 16, 2013

Commissioner RoAnn Destito  
Office of General Services, New York State  
Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner,

I have received a letter which I have attached from a constituent, Steven Mines, who is in the digital printing business. He employs 120 people but says he is on the verge of leaving New York for Florida or Texas because he is struggling in the New York business environment.

A real concern for him is the consideration by your office of an application from a New York State non profit, NYSID, to create a "Preferred Choice" sourcing arrangement for digital printing. Mr. Mines believes that this would essentially create a monopoly for the chosen companies that would hurt companies like his. I would appreciate your thoughts on the issue.

Some questions I have: What is the status of the application by NYSID? Is this likely to be considered soon? Is the application going to be debated publicly or will there be an opportunity for the public to formally submit comments? Perhaps you could inform me of the benefits that may be accrued for taxpayers from less competition, versus any downside for the loss of jobs for printing firms who do not make the cut?

I look forward to your response as well as a better understanding of this new policy.

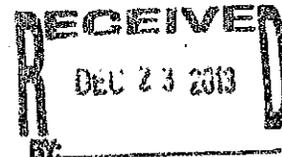
Sincerely,



Sandy Galef  
Assemblywoman

Attachment

cc: Steven A. Mines, President of Mines Press, Inc.





THE SENATE  
STATE OF NEW YORK

SENATOR PATTY RITCHIE  
48TH DISTRICT  
OSWEGO, JEFFERSON ST. LAWRENCE COUNTIES

- CHAIR
  - SPECIAL AGENT TO THE COMMITTEE
- COMMITTEES
  - ALCOHOLIC BEVERAGE CONTROL
  - CORPORATE SERVICES & PENSIONS
  - CRIME VICTIMS, CRIME & CORRECTION
  - CULTURAL AFFAIRS, TOURISM, PARKS & RECREATION
  - ENERGY, TELECOMMUNICATIONS
  - HIGHER EDUCATION
  - LOCAL GOVERNMENT
- MEMBER
  - LEGISLATIVE COMMISSION ON RURAL RESOURCES
  - SELECT COMMITTEE ON LIBRARIES

December 16, 2013

RoAnn Destito  
Commissioner  
Office of General Services  
41<sup>st</sup> Floor, Corning Tower  
Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

I am writing to express my strong support of New York State Industries for the Disabled's (NYSID) application to add Digital Printing to its list of Preferred Source Offerings. The addition of Digital Printing services to NYSID's list of Preferred Source Offerings would significantly increase desperately needed employment opportunities throughout New York State for people with disabilities. In addition to creating jobs for people with disabilities, small businesses and MWBE's in New York will also benefit from the inclusion of Digital Printing in the Preferred Source Offerings.

It is my understanding that the Digital Printing proposal is currently under consideration by the State Procurement Council and that your office has recommended that they approve NYSID's application. If approved, people with disabilities will be able to secure jobs that pay well above minimum wage. Also, there still too many New Yorkers with disabilities willing but unable to contribute to the economic vitality of New York State because they face discrimination and other barriers to securing gainful employment.

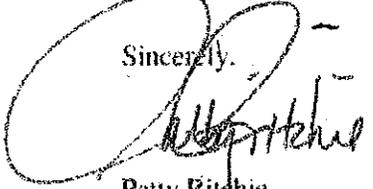
RECEIVED  
DEC 23 2013  
BY: \_\_\_\_\_

REPLY TO: J ALBANY OFFICE: ROOM 411 LEGISLATIVE OFFICE BUILDING ALBANY, NEW YORK 12247 (518) 455-3404  
J JEFFERSON COUNTY OFFICE: 87 WASHINGTON STREET 1<sup>ST</sup> FLOOR JEFFERSON COUNTY NEW YORK 13601 (518) 782-3404  
J OSWEGO COUNTY OFFICE: 46 EAST BRIDGE STREET 1<sup>ST</sup> FLOOR OSWEGO, NEW YORK 13624 (315) 341-3404  
J ST. LAWRENCE COUNTY OFFICE: 39 FORD STREET CANTON, NEW YORK 13609 (315) 493-3404

E-MAIL: RITCHIE@SENATE.GOV  
WEBSITE: WWW.RITCHIE.NYSenate.GOV

For these reasons, I strongly support the NYSID's application to add Digital Printing to its list of Preferred Source Offerings. If I can be of assistance in moving this application forward, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Patty Ritchie", written over a large, loopy circular flourish.

Patty Ritchie  
State Senator

PAR:hfc

cc: Ron Romano, NYSID  
Michael Szpak, Oswego Industries



JOSEPH S. SALADINO  
Assemblyman 9<sup>th</sup> District  
Nassau and Suffolk Counties

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

RANKING MINORITY MEMBER  
Libraries & Education Technology  
Committee

COMMITTEES  
Environmental Conservation  
Governmental Employees  
Labor  
Ways and Means

March 10, 2014

Commissioner RoAnn Destito  
Office of General Services  
Corning Tower, Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito,

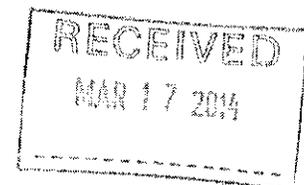
I have received correspondence from my constituents in regard to the New York State Industries for the Disabled, Inc. (NYSID) application to include Digital Printing under "Preferred Source". My constituents are concerned that if not-for-profit organizations are included in the "Preferred Source" for Digital Printing, thus allowing not-for-profit organizations to bid up to 15% more than a for profit businesses proposal, it would result in a loss of manufacturing jobs at their companies.

Adding Digital Printing to NYSID's list of "Preferred Source" could hinder the businesses of our community's Digital Printers. I respectfully request any steps which can be taken to remediate this situation, and that will not lead to a monopoly on Digital Printing, be looked into.

Thank you very much for your time and attention to my constituents and this very important matter.

Sincerely,

Joseph S. Saladino  
Member of Assembly





Ms. RoAnn Destito, Commissioner  
New York State Office of General Services  
41<sup>st</sup> Floor, Corning Tower  
Empire State Plaza  
Albany, NY 12242

Dear Commissioner Destito:

As you know, Printing Industries Alliance is on record as being opposed to the New York State Industries for the Disabled (NYSID) application to become a preferred source for digital printing in New York State.

In an effort to make sure that both Printing Industries Alliance and NYSID understand our respective positions on this issue, several meetings have been conducted between PIA and NYSID representatives. Most recently two NYSID staff people, Joe Messina and Cory Heritage, attended a PIA Board of Directors meeting on March 11, 2014. An open discussion was held with all parties having the opportunity to ask questions and raise concerns. I believe an honest effort was made to find common ground on this issue.

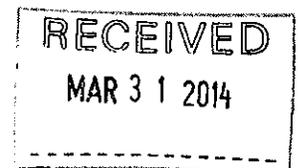
Despite these efforts, we continue to believe that approval of the NYSID preferred source application would not be in the best interests of our industry or the New York State taxpayer. We continue to oppose its approval by the Procurement Council. We have communicated our opposition to NYSID President Ronald Romano. I would also respectfully request some time to speak on this issue at the next Procurement Council meeting.

Thank you for your interest in this matter. I would be pleased to answer any questions you may have.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Timothy Freeman', is written over a light-colored background.

Timothy Freeman,  
President



TF:jc

cc: Mr. Sergio Paneque, Chief Procurement Officer, NYS Office of General Services  
Printing Industries Alliance Board of Directors



March 28, 2014

Mr. Ronald Romano, President/CEO  
New York State Industries for the Disabled  
11 Columbia Circle Drive  
Albany NY 12203

Dear Ron:

I am sorry you were not able to be with us at the recent Printing Industries Alliance Board of Directors meeting. We enjoyed having Joe Messina and Cory Heritage with us and feel we have a much better understanding of NYSID and your application to become a preferred source for digital printing.

Our industry has a long history of utilizing developmentally disabled individuals as part of our manufacturing process. We are extremely empathetic with the idea of providing meaningful employment opportunities to all New York residents.

Unfortunately, we continue to believe approval of the NYSID preferred source application would not be in the best interests of our membership, the New York State graphic communications industry, New York State taxpayers, and ultimately the developmentally disabled workforce. As such, we must respectfully remain opposed to the proposal.

We hope the lines of communication between our organizations will remain open and I am happy to discuss any aspect of this issue with you. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tim Freeman", written over a horizontal line.

Timothy Freeman,  
President

TF:jc

cc: RoAnn Destito, Commissioner New York State Office of General Services ✓  
Mr. Sergio Paneque, Chief Procurement Officer, NYS Office of General Services  
Printing Industries Alliance Board of Directors

