**STATE OF NEW YORK**

**EXECUTIVE DEPARTMENT - OFFICE OF GENERAL SERVICES**

***New York State Procurement***

***Preferred Sources Team***

**Memorandum**

**Date:** October 18, 2013

**To:**  New York State Procurement Council

**From:** NYS Office of General Services, NYS Procurement (OGS NYSPro)

**Subject:** New York State Preferred Source Program for People who are Blind (NYSPSP) Application for Adult Incontinence Products

**OVERVIEW:**

Adult Incontinence Products are used to assist the adult populations suffering from certain medical/physical conditions. NYSPSP has submitted an application to add Adult Incontinence Products (44 items including assorted liners, briefs and pads) to its list of Preferred Sources Offerings. Central Association for the Blind and Visually-Impaired is the member agency providing these products. Persons who are blind will perform repackaging work which includes, but is not limited to, receiving the product in bulk from the supplier into the warehouse, packing it into appropriate case quantities, creating labels, labeling the cases and preparing them to be shipped to the customer. The raw material suppliers for the Incontinence Products are Medline and Prevail. It is anticipated that work on this commodity will provide 0.81 FTEs for persons who are blind. NYSPSP estimates annual sales of $1,000,000.00

**NYSPSP REVIEW:**

1. NYSPSP is proposing to add Adult Incontinence products to its preferred source offering. Central Association for the Blind and Visually-Impaired shall be the provider (member agency) of these products, and the material suppliers shall be Medline and Prevail (for two items).
2. The proposed value of this offering is $1million per year. This is based on an assumption from sales under the expired OGS Medical and Laboratory Supplies IFB #22563.
3. The Direct Labor FTE for this work is 66% as this is a not-for-profit with 10 or fewer employees.
4. People who are blind will be repackaging these products. This includes, but is not limited to, receiving the product in bulk from the supplier into the warehouse, packing it into appropriate case quantities, creating labels, labeling the cases and preparing them to be shipped to the customer.
5. New York City Department of Citywide Administration Services (DCAS) and the New York City Health and Hospitals Corporation initially requested the addition of these products from NYSPSP.
6. NYSPSP confirms that this application will preserve 1 or 2 jobs for individuals who are blind and promote the socio-economic goals of boosting blind employment.

**OGS REVIEW:**

1. OGS NYSPro reviewed the sales under contract PC58249 which was awarded from Piggyback Award 01127 and agrees with NYSPS’s estimated annual sales volume of $1,000,000.00.
2. OGS NYSPro reviewed the pricing offered by NYSPSP and determined it to be within the 15% threshold established pursuant to State Finance Law §162 (see Pricing Analysis below).
3. Using the Internet, NYSPro confirmed that NYSPSP pricing is generally equal to or lower than that offered on other government contracts (e.g., GSA, Idaho DSS), NYSID and other large commercial entities.
4. The existing centralized contract PC58249 has expired.

**PROS:**

1. This application provides very competitive pricing and a wide variety of selection including specialty items which will meet many needs.
2. NYSPSP confirms this will allow for the continued employment of Blind persons in the Utica Area by the Central Association of the Blind and Visually-Impaired.
3. NYS ESD has no objection to the addition of these products.

**CONS:**

1. NYSPSP’s offering provides some competition with NYSID which currently offers some adult incontinence products. As NYSPSP will receive first priority, this may decrease NYSID sales for these particular products.
2. Several OMH and OPWDD facilities have indicated they purchase these items from local grocery stores and other retailers. This offering may affect these types of local business in NYS. However, by following the requirements of NYS Finance Law, the OMH and OPWDD facilities should be buying from the Preferred Source and saving the state money.

**PRICING ANALYSIS**:

1. OGS NYSPro conducted broad market research on availability of incontinence products by researching the Internet and looking at multiple purveyors of these products and carried forward the lowest possible comparison prices. Initial research showed NYSPSP’s pricing was very competitive and offered lower prices for almost every single product than currently offered on the open market.
2. NYSPSP provided comparable GSA pricing for 24 items within their application. OGS NYSPro reviewed the Medline GSA pricing and found NYSPSP prices are lower than 19 GSA prices, and another 5 items are less than one percent different. We also note that one remaining GSA item was 25% less than the corresponding NYSPSP item; however NYSPSP is still very competitive as they were lower than the other 2 external benchmarks which showed NYSPSP prices to be better by 1.7 and 5.8%, respectively.
3. OGS NYSPro reviewed NYSPSP’s pricing on 33 items against other States’ contracts and other leading suppliers for comparable prevailing market pricing and found NYSPSP’s pricing is lower on 29 items and within 2% of prevailing market pricing on two other items.
4. OGS NYSPro reviewed NYSPSP’s pricing against NYSID’s current pricing. Of the 44 items on NYSPSP’s list, NYSID overlaps on 17 items. For nine of the items, NYSPSP’s price is lower. For the remaining eight items, NYSPSP’s pricing varies from less than 1% to 9% over current NYSID pricing. Additionally, NYSID has a delivery fee of $300 which may negate any savings on these eight items where the NYSID item is priced lower than the NYSPSP’s offered price.
5. A summary of OGS NYSPro’s pricing analysis is attached.

**OGS NYSPro CONCLUSION:**

OGS NYSPro has determined that NYSPSP’s pricing for all products is within 15% percent of prevailing market pricing as required under State Finance Law §162. OGS NYSPro recommends the State Procurement Council approve the application to add Adult Incontinence products to NYSPSP’s Preferred Source Offering List of Commodities.