

**NYSID DIGITAL PRINTING APPLICATION**

**Information for consideration of tabled motion**

At the Procurement Council meeting of October 30, 2013 NYSID presented a summary of its application to offer Digital Printing as a Preferred Source service. Following a lengthy discussion, the application was tabled so that OGS, NYSID and ESD could engage in further review. As part of today’s consideration of this application, NYSID would like to briefly revisit the 10 Preferred Source application requirements addressed in its original Digital Printing application including additional or “new” information provided, respond to questions and concerns raised at the October 30 meeting, and address concerns from the Printing Industries Alliance (PIA).

To refresh, the critical elements of the application submitted to NYSPro July 24, 2013 (from the original date of April 4, 2013) and presented to the Procurement Council on October 30, 2013 are as follows:

1. **Name and Description of the Service – including how it is new or substantially different**

Digital Printing is the name of the service that NYSID is looking to add to the List of Preferred Source Offerings. This is an expansion of services NYSID already offers under the category of Document Processing, which currently includes Photocopying and Reproduction.

Digital Printing includes: short-run printing, flexible and on-demand printing processes including variable data printing which would include printing with different names and addresses, all which would complement our mail fulfillment service offering. It does not include: offset printing, custom-printed carbonless forms, typesetting, engraved stationary or engraved business cards, silk screen reproduction or map printing. (See pg.3 Original Application)

**(NEW)** In addition, because of additional pricing information requested by NYSPro

subsequent to the October 30, 2013 Council meeting, it also excludes envelopes, pocket folders and posters over 14 x 26 inches in size.

1. **Market Information – Scope of the potential market**

NYSID’s original application addressed the scope of market on pages 6 and 7. It specified that its sources for market information include Open Book New York, NYSID’s current Corporate Partners and the Printing Industries Alliance all of whom described Digital Printing as a growing sector of the printing Industry.

**(NEW)** At the request of the Procurement Council, NYSID has performed an additional assessment of market information including additional sources of information noted at the Council meeting. The detailed steps and assumptions upon which our analysis is based are provided in the Questions/Responses section below. The additional assessment yielded a potential sales value that is slightly higher than NYSID’s original application, but still relatively consistent with original estimates. Based upon this detailed review, if the market share goal that NYSID strives to attain is applied, NYSID would realize approximately $1.7 million per year in Digital Printing.

1. **Client Employment – The nature of the tasks performed & projected employment**

The original application set forth the jobs to be performed by New Yorkers with disabilities on pages 5 and 6, and include:

* *Document Preparation – electronically manipulating files to prepare for digital production.*
* *Digital Small Format – digital reproduction which includes loading and unloading paper from machines.*
* *Digital Large Format – digital reproduction of architectural and oversized prints.*
* *Finishing – includes several binding processes such as stapling, folding, tape binding, perfect binding, drilling, cutting and inserting.*
* *Quality Control & Shipping – product quality control, packaging and preparing for delivery or shipment.*

**(NEW)** By letter dated November 6, 2013 from NYSID CEO Ron Romano to NYS OGS Contract Management Specialist Joseph Better (**attached**), the nature of the work currently performed by individuals at NYSID’s prospective corporate partners was further defined to include: operating digital equipment to generate printed materials in accordance with customer specifications including changing many of the variables in the set-up of the equipment such as dimension, color or contrast. The printed materials are then reviewed to ensure proper quality levels and compliance with customer specifications. Some individuals with disabilities load, operate and maintain machines that perform a wide array of binding functions including saddle stitching, perfect binding, spiral binding and/or wire binding of documents, reports and booklets. Other responsibilities include folding, cutting and collating and ensuring that the machines are loaded with the appropriate size and type of paper.

1. **Preferred Source – Identify the specific Preferred Source and/or Corporate Partner and provide evidence of the Preferred Source’s qualifications and expertise**

The original application identified five member agencies who will partner with NYS small businesses in Corporate Partnerships, as well as three member agencies who offer Digital Printing independently. (See page 4-5.)

1. **Value Added – Specifically address the value added by Preferred Source Client Labor to the service**

NYSID’s application set forth its intent to apply to OGS for individual price approvals as required once Digital Printing is included on the List of Preferred Source Offerings. This is typical for a service offering where there may be many variables that affect the price. Specific Value Added statements will be provided with each service application along with a detailed cost analysis.

1. **Direct Labor Workforce – specifically detail the number and hours of the direct labor employed in the provision of each Preferred Source service agreement**

The original application explained NYSID’s understanding that as a rule of thumb every $100,000 in new sales would add 40 hours per week in work. As a result, our application estimated 12 new jobs would be added for individuals with disabilities based upon estimated sales of $1.2 million. This is an estimate, and each and every application that is reviewed by NYSPro would have a Value Added Statement estimating the total number of hours and therefore FTE’s to be created for individuals with disabilities as a result of work on that contract.

**(New) -** Using industry demographics from the Printing Industry Alliance, the sales volume per employee ranges from $94,000 to $153,000 depending on the assumptions used. Using the total of the Graphic Communications industry in New York State Sales Value of $9.9 Billion divided by the 65,253 employees, the sales per employee is $153,000. If only the 3 categories per the United States Print Market associated with Digital Printing (Quick Printing, Other Finishing, and Trade Binding) are used this calculation would be $6.6 Billion and 70,574 employees for sales per employee of $94,000.

1. **Cost Benefit Analysis – Provide a summary of projected costs and benefits to accrue the State**

As the original application stated:

1. The approval of the application should result in an increase in Digital Printing business for New York State companies by virtue of the initial 5 partnerships created with NYSID members,
2. approval of the application would potentially save money as the price comparisons performed by NYSPro for the standard or basic Digital Printing concluded that NYSID pricing was lower or equal to comparable public and private entities and within 15% of market,
3. the service offering would create job opportunities for individuals with disabilities, a group that is employed at less than half the rate of their non-disabled counterparts, and
4. this service would complement and enhance NYSID’s other document processing and mail services, therefore further improving job opportunities for these individuals.
5. **Cost price data – include information sufficient to enable OGS to approve the price data on the service in accordance with the statute**

The initial application contained a list of sample prices, averaged from participating NYSID members. These prices were confirmed by OGS as competitive with other vendors’ pricing for these services in the October 10, 2013 Memorandum from OGS and NYSPro to the Procurement Council (**attached**). It was also noted that there are a number of variables based upon a customer’s request including paper stock (coated, glossy, etc.), quantity of items printed, paper size, finishing/binding, and black and white content versus color. It was also noted that it was NYSID’s intent to apply to OGS for individual price approvals as required (taking into account customer desired variables) once Digital Printing was included on the List of Preferred Source Offerings.

**(New)**

In the November 6, 2013 Romano to Better letter previously referenced, additional pricing was submitted related to contracts awarded pursuant to competitive bid to Camelot Print and Copy Center for three digital printing contracts outlined in our original application as follows: NYS Office of the Attorney General (OAG), SUNY Albany and the SUNY Research Foundation. A comparison of this competitively let pricing correlates to the Hudson Valley/Capital District price list included with the original application and again substantiates the competitiveness of NYSID’s pricing. With this submission, NYSID pricing has fared favorably and fallen within statutory thresholds when compared to NYS Print Shops, GSA contracts, the State’s Quick Copy and Duplicating contract as well as these competitively awarded contracts.

1. **Current Suppliers – If the service is already being provided the application will list the current suppliers or contract holders**

No centralized contract exists for this service. Awards are made individually on a competitive basis.

1. **Preferred Source Suppliers – The application should contain the projected first year value of anticipated contracts**

The value of anticipated contracts for NYSID was estimated at $1.2 million which was subsequently revised after additional analysis to $1.7 million. It is estimated that this would take a minimum of two years to achieve.

**Questions/Responses to concerns raised at the October 30, 2013 Procurement Council Meeting**

**Q -** Applications reviewed by OGS for approval may be delayed. What will the impact on other applications be? Will every Digital Printing job go to OGS for review and approval?

**A -** OGS is required by NYS Finance Law to review for price approval all Preferred Source applications over a given monetary threshold ($50,000). OGS acknowledged a lack of resources and a backlog in Preferred Source application review. OGS does not believe a review would be required on a per job basis but “it could be.” Generally the review has been done on a first come basis. As of the date of this response, OGS has renewed its effort to review Preferred Source applications on a timely basis.

**Q -** The application includes a memo from NYSID that lists the different firms they are working with and plan to work with and mentions that for every $100,000.00 spent this puts another FTE disabled person to work. This seems loose, with no direct commitment that if a Preferred Source gets this work that a disabled person would actually be put to work.

**A –** NYSID does not “work with firms.” NYSID’s contracts are performed by its member agencies and corporate partners. Corporate partners are private businesses that have been approved by ACCES-VR to perform work in partnership with a particular NYSID member and for a particular contract only, as required by NYS Finance Law Section 162. Further, State Finance Law requires that a minimum of 51% of the labor on all Preferred Source contracts be performed by disabled individuals.

**Q -** ESD expressed a number of concerns regarding the NYSID application, Specifically, Mr. Steve Cohen, Deputy Commissioner and Senior Vice President, Community Economic Development at ESD stated that “although the time for review of this application was brief, ESD is very concerned for the following reasons:

FIRST

* Digital Printing is an extremely large market with many NYS businesses participating
* offset printing is decreasing and digital printing is now the fastest growing segment of the printing industry
* NYSID’s estimated $8M in NYS agency business may be understated and the number will grow considerably over time given the industry trends
* There are thousands of businesses in NYS; one count = 2,548 firms, 268 of which are m/wbe
* Given the priority and other policy goals within the state of promoting procurement to small, minority, and women-owned business enterprises this application could have significant impact on a large number of firms

SECOND

* Although there was limited time to respond to the public posting, ESD did hear from a number of industry associations and firms
* The Printing Industry Alliance is opposed as this would give an unfair competitive advantage to a preferred source
* Individual printers have complained, as this segment of the industry is a rapidly growing portion of revenue and activity among businesses, approval of this contract could result in decreased activities and lead to layoffs
* The machines required to produce these documents are expensive; many NYS companies have already invested in this equipment and are concerned about its impact and the loss of printing opportunities
* By way of example: Mr. Cohen stated that there is a firm in attendance today, Custom Printers of Guilderland, NY. They are a Certified Women Owned Business Enterprise with half of their revenues coming from NYS agencies; they are doing digital printing more and more, with a pending contract valued at close to $1 million which could be impacted by this offering
* Printers and Printer Associations noted other concerns, including: the technical expertise and costs associated with the industry; the technical skills required to operate the machines; the benchmarking prices (Fed Ex and Kinko are not appropriate given the premiums charged by these providers), most individual or specialty printers would be significantly lower

In SUMMARY

* Considering the growth of this industry, the rapidly growing market for digital printing, the relatively large number of printing firms that are S/M/WBE businesses, the trend to move from offset to digital printing, the growing market and growing demands, and the increase in NYS agencies for these services as well as the prospect of additional growth, ESD recommended disapproval.

**A -** NYSID originally provided the application to the Council in 2011 and most recently in April 2013 for the May meeting which was cancelled. This would certainly appear to contradict the “brief review time” characterized by ESD. In fact, ESD had well over 6 months to review the application, and chose not to comment according to the October 10, 2013 Memorandum provided at the October 30 meeting, where NYSID first learned about ESD’s concerns. In addition, although ESD provided some market information at the Council meeting about the “Graphic Communications” industry (which is far beyond the scope of digital printing), ***no actual data*** was provided to substantiate the ESD claim that the NYSID application would have “a significant impact on a substantial number of NYS businesses” beyond anecdotal information about one local printer and the potential for the loss of a contract.

In an effort to get a better understanding of the numbers that were provided by ESD as evidence of the “significant impact on a substantial number of NYS businesses”, NYSID has undertaken an assessment of the information provided by the PIA (see [www.piaalliance.org](http://www.piaalliance.org) ), which appears to be the source of the information provided by ESD.

 **Assessment of Printing Industry in NYS and Evaluation of PIA Statistics**

● There are 33,565 Printing Companies in the US, with a sales value of over 140 billion dollars ($140,674,740,000)

● There are 2,591 Printing Companies in NY, with a sales value of almost 10 billion dollars ($9,988,400,000)

● The percentage of US Printing Companies located in NY is just over 7.7% (0.07719); similarly, the percentage of sales value for NY Printing companies is 7.1% (0.07143)

● The US Print Market or Graphic Communication Industry is composed of 17 segments; of those, NYSID’s application includes services that would potentially fall within only 3 of the 17 segments (Quick Printing, Other Finishing, and Trade Binding)

● The number of US Printing Companies in these 3 segments (without regard to overlapping of segments) is 5,828 and the total US sales value for these segments is $6.6 billion dollars ($6,640,210,000)

● So, using the 7% numbers for NY Printing Companies, the number of companies that provide the services NYSID is proposing is 449 (maximum) with a sales value of $469 million dollars;

● It is important to note that these numbers represent the number of companies and associated sales values for *all* Printing Business in NY, and not just NY State and local government entities, which is significantly less.

**Assessment of the Dollar Value of Printing Services in NY State Government**

**NY State Contracts**

In an effort to better quantify how much of the $469 million dollar sales volume in NY may be associated with purchases by NY Governmental entities, NYSID undertook an assessment of the information available for NY State and NY City printing contracts.

● According to Open Book, there are currently 100 contracts for printing services.

● The total contract amount for printing contracts is $938 million dollars, with contract dates starting as early as November 2009 and extending as late as April 2018. As of January 1, 2014, of the $938 million, $590 million has been expended and $348 million of the original contract amount remains through April 2018.

● NYSID reviewed the contract information available for each of these contracts and eliminated any contract that would not be included within the scope of digital printing as outlined in our application. Specifically eliminated were:

• any contract that was for services NYSID would not be providing (e.g. offset printing, posters, business/post cards, professional/production services for public relations/media/marketing, envelopes, pocket folders, magazines, pin feed stock, lottery tickets,etc.)

 • any contract that included these services as a major component

 • any contract valued at more than $125 thousand dollars per year (consistent with our original application)

● This resulted in the elimination of 73 contracts, with 27 contracts remaining that would potentially be included within the scope of NYSID’s Digital Printing services.

● Upon review of the actual amount spent under each contract from the contract start date through December 31, 2013, it was determined that the average annual spend for all 27 contracts was just under $2 million ($1.988 million) and that the value of this spend is less than 1% (0.57%) of the total contract value for all NYS printing contracts. This is consistent with the spend percentage of Preferred Source contracting throughout NY State.

**NY City Contracts**

NYSID conducted a similar assessment of the printing contracts for NY City using the same criteria.

● According to Checkbook NYC (online contract information for NYC comparable to NYS Open Book), there are a total of 25 printing contracts for fiscal year 2013-14 (7/1/1/13 through 6/30/14)

● The total contract value for these contracts is just under $11million ($10,986,110)

● Applying the same criteria used to assess NY State printing contracts, NYSID eliminated 14 of the contracts because either they were services that would not be provided within the scope of our Digital Printing application, or they were competitively bid by NYC

● The total annual contract value for the remaining 11 contracts is $248,000, which is 2.2% of the value of all NY City printing contracts (0.0222)

 **Potential Sales Volume in NY (per the PIA Information)**

* Of the $469 million in sales volume in NY (based upon the assessment of the PIA data) the combined percentage of potential business of both NY State and NY City is 0.6%.

● If this percentage is applied to the $469 million of all applicable printing services by NYSID, the annual sales potential is $2.8 million ($2,818,561.23)

● If the same criteria presented in our original application is applied here, that this represents 25% of the total potential sales opportunity, the total potential volume of business would be $11.2 million

● Likewise, if the same 15% goal that NYSID strives to attain is applied, NYSID would realize about $1.7 million per year for Digital Printing.

● This extrapolation yields a potential sales value that is somewhat more than NYSID’s original application, but is consistent with original estimates and based upon a thorough assessment of the additional sources of information.

● It is important to note that this assessment intentionally erred on the side of being overly inclusive. In other words, it is likely that NYSID has included printing services from the PIA segments, as well as the NYS and NYC contracts, that could be excluded based upon the actual scope of the services that would be provided.

 **Assessment of MWBE firms in NYS that perform Printing**

**A -** ESD referenced 268 certified MWBE firms in NYS providing printing services. A review of the MWBE directory shows the following:

● A search of the MWBE directory identifies 43 Certified MWBEs, 5 of which are both M&W, for a net of 38 different MWBE companies listed under printing

● Of the 38 firms, 9 are located in other states, so it is likely they have operations elsewhere where NYSID wouldn’t compete

● Of these 38 companies, only 5 actually have NYS contracts per OSC Open Book, with a total contract value of $5.1 million dollars:

• Guilderland Printing holds 2 contracts for offset printing totaling $3.2 million dollars

 • JD Media Marketing and Planning holds a contract with Alfred College (for Media Buying and Sponsored Events) with a contract value of $1.2 million dollars

 • Camelot Consulting (a NYSID Partner) holds a contract for document reproduction services for $267,000

* Since the NYSID application does not include offset printing or media marketing and planning, and since NYSID is already approved for document reproduction, the potential impact on the 3 MWBE firms holding a NYS printing contract is $342,000 (the total remaining contract amount), and 1 of those is an out of state vendor holding contracts for a total of $94,000. This brings the potential impact on the 2 remaining NYS MWBE firms holding a NYS printing contract down to $248,000.

● It is unknown how much business the other 25 MWBE firms have, or have had, with NYS governmental entities. However, since they have no NYS contracts, it is assumed that any business would have been a result of competitive procurement with a non-state entity or discretionary purchasing, both of which would continue to be available opportunities.

**A -** At the October meeting of the Procurement Council, there were concerns expressed regarding whether NYSID had reached out to SMWBE firms, how NYSID chose the MWBE firms it is partnering with, and whether more MWBE firms could be included. In response to these concerns, I would like to summarize the NYSID Member Agencies and Business Partners presented in the original application and reiterate the rationale for these participants.

● NYSID’s Digital Printing services will be provided by 8 Member Agencies:

 • 3 of these members already have established Corporate Partnerships with a NY State SBE that have existed for over a decade, and they already employ disabled workers from the member agency; 1 of these partners is also a NY WBE

 • 3 of the Member Agencies already provide Digital Printing services directly, 2 for over a decade, and the other 1 for 6 years

 • 2 of the Member Agencies are establishing a Corporate Partnership with a NY State Small Business that has committed to provide employment for disabled individuals

● All of these agencies and firms are New York State businesses that demonstrated the ability to succeed in the Digital Printing business, and have committed to employing disabled New Yorkers

● NYSID Member Agencies are themselves NYS Small Businesses, albeit not-for-profits, who serve a disadvantaged population, whether that be by disability, ethnicity or both

● In addition, these Member Agencies and Corporate Partners complement NYSID’s market focus for Digital Printing:

* + - Geographically, NYSID has targeted the Capitol Region, Western New York and New York City
		- The Member Agencies and Corporate Partners presented in our application have a presence in these areas, and have established successful printing businesses

● While NSYID has and will continue to make every appropriate effort to work with qualified SMWBE’s, NYSID’s statutory mandate to procure jobs for disabled New Yorkers must be acknowledged as well.

● The members and partners proposed for this offering are a significant representation of the diversity consistent with NYS SWMBE, and ones that will allow NYSID to assure the success of the Digital Printing services.

**Activities since the October 30th Meeting**

**OGS Requests**

Since the meeting of October 30th, OGS has requested additional information from NYSID to facilitate a more in-depth analysis and better price benchmarking. NYSID has responded or attempted to respond to each of these requests. Specifically:

● OGS requested that NYSID provide actual copies of any contracts (including all terms and conditions, any related bid documents, etc.) and purchase orders (the actual written documents) between NYSID and any of its member agencies or partner agencies and the State of New York for the past 3 years. This was to include not just state agencies but such contracts/purchase orders from authorities, municipalities, local governments, etc.

NYSID provided OGS with a summary chart presenting additional pricing in the November 6, 2013 letter to Joseph Better. However, the contract information and associated contracts & purchase order prices are considered proprietary, such that our members and partners have not been receptive to sharing that information. The information OGS requests are contracts that were executed between a member agency or partner and their customer, to which NYSID was not a party. This makes it extremely difficult for NYSID to demand a response. In addition, since the information and documents being requested by OGS have not been a routine part of the Preferred Source application requirements for the past 15+ years, it is concerning to NYSID, as well as our members and partners, why it is being requested now, and how it will be used/shared.

● OGS also requested that NYSID work with our partners to provide additional pricing information by completing actual bids utilizing prescribed Information For Bid documents. The IFBs were for 8 different types of printing requests which included: posters, guides, brochures, pocket folders, business cards, post cards, business envelopes and fact sheets.

After reviewing the bid documents NYSID determined that 3 (posters, pocket folders and business envelopes) of the 8 printing bids required offset printing and/or bid requirements that NYSID’s Digital Printing application does not include. For the remaining 5 bid documents NYSID has completed the requested Invitation For Bid Fact Sheets (**attached**). These facts sheets include: the requested information for Business Cards, Fact Sheets, Brochures, Post Cards, and Guides.

**Concerns from the PIA,**

Subsequent to the October 30th meeting, the PIA sent correspondence to its members advising them of the NYSID application for Digital Printing, stating potential adverse effects that were inaccurate, exaggerated and/or not realistic, and encouraging them to contact their respective state legislators. Specifically, the letter stated:

● The Preferred Sources are allowed to charge 15% over the lowest bid on a state contract and still get the work

● If a PIA member does any type of digital printing for NYS you could lose the work even if you are the low bidder

● NYSID is proposing to partner with a limited number of printing firms, and that with their extensive digital printing experience, and a 15% preference, they will corner the market

● The PIA is working with NYS Empire State Development to make sure the Procurement Council knows how detrimental this will be to their industry

● The PIA has also gone on record as stating that 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

As the Procurement Council knows, the NYS Finance Law does not allow a Preferred Source to charge 15% more than a competitive bid, but rather **up to** 15% above prevailing market price. Further, NYSID would not be competing with work that would be competitively bid since the legislature has, to advance special social and economic goals, exempted Preferred Source offerings from the competitive procurement process. Finally, the $600 million dollar annual estimate of potential NYS business is questionable, and to imply that NYSID would corner this market, is absurd.

Nonetheless, PIA members did contact their legislators, and letters were written on their behalf. The Council was provided with copies of this correspondence. It is clear that the letter writing campaign adds little substantive value to the discussion, since the correspondence is based upon the same misinformation characterized by the PIA notice to its members. Perhaps the value of these letters was best characterized by Ms. Marybeth Hefner (DOH) at the December 2013 PC meeting when she said:

*“For all those letters that we got, you could take each one of the letters and match them; for each one that says it’s a good idea there’s one that says it’s a bad idea; they sort of wipe each other out, they don’t seem to help us any.”*

On March 11, 2014, in an effort to assuage the PIA’s concerns and to provide more insight into the Preferred Source Program and, more specifically NYSID’s application to have Digital Printing added to the List of Preferred Source Offerings, NYSID addressed the PIA Board of Directors. Joe Messina, V.P. of Sales and Corey Heritage, Regional Sales Manager, reiterated NYSID’s commitment to work with as many viable corporate partners as market demand and member agency capabilities will allow. Affirmed at this meeting was NYSID’s intent to share a small part of a very large pie of prospective business in New York State. Also reiterated was the fact that NYSID will not be pursuing offset printing, envelopes, engraved stationery, newspaper, large posters, etc. as part of its Digital Printing application. Those opportunities would be available to prospective vendors through normal procurement vehicles outside of Preferred Source.

Several questions were posed to NYSID by the Board Members relative to disabled labor requirements, types of disabilities of prospective workers, locations of member agencies in New York State, contracting processes, etc. all of which were answered consistent with the responses provided herein.

NYSID assured PIA members that approval of this application will enable NYSID to retain business in New York State. The notion raised by a few PIA members that an approval of this application would create a monopoly situation and an unfair price advantage for NYSID and its member agencies was dispelled. NYSID articulated to the PIA Board that NYSID intends to utilize the infrastructure and expertise of PIA members to provide new employment opportunities for both disabled and non-disabled individuals. NYSID’s goal is not to displace workers but rather, to the contrary, bring new business opportunities to Digital Printing businesses in New York State so as to actually increase employment.

Despite the cordial meeting of NYSID staff and the Printing Industries Alliance Board of Directors, by letter dated March 28, 2014, from Tim Freeman President of the Printing Industries Alliance to Ron Romano President & CEO of NYSID, Mr. Freeman advises that approval of the NYSID Preferred Source application continues not to be in the best interests of his membership and as such they remain opposed to the proposal. Although disappointing, it is NYSID’s belief that Digital Printing is a viable Preferred Source Service offering that can provide meaningful employment to individuals with disabilities including the developmentally disabled workforce noted in Mr. Freeman’s letter. NYSID also believes that our application meets all Preferred Source application criteria requirements, and should it be approved it is NYSID’s intention to continue to work with New York State Small Businesses including PIA members in to create jobs for individuals with disabilities.

IN SUMMARY

● NYSID has submitted an application for Digital Printing that satisfies all of the requirements of the Preferred Source Statute and is consistent with the process, procedures and requirements that have been utilized for the past 15+ years.

● NYSID has been as responsive as possible to the requests made by OGS for additional supporting information.

● The position established by ESD and the PIA that the addition of digital printing services would have a significant impact on a substantial number of NYS businesses has not been substantiated.

● While NYSID acknowledges the priority and policy goals of the State with regard to small, minority and woman owned businesses, NYSID, and the other Preferred Source providers, have similar goals. While it appears that these are conflicting goals, it should be acknowledged but most NYSID member agencies are also small business (albeit non-profit) and their constituents are also disadvantaged, whether it be a disability, an ethnic minority or a combination of both. In reconciling this disparity it is important to note that while the SMWBE goals are an important initiative, so is employment for individuals with disabilities as provided for in the Preferred Source Statute.