



NY GovBuy

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Office of
General Services



Preferred Source Town Hall Meeting

April 30 & May 1, 2019

#2019NYGovBuy  @NYSPPro  @nysprocurement

Welcome & Introductions





Introductions

Sean Carroll, OGS Chief Procurement Officer

OGS Preferred Sources Team

- Susan Filburn, Deputy Chief Procurement Officer
- John Normile, Assistant Director, Intergovernmental Relations
- Judy Dorsman, Team Leader
- David Keneston, Contract Management Specialist
- John Indelicato, Contract Management Specialist





Agenda

Welcome & Introductions

Preferred Sources & OGS

Updates

Application Timelines

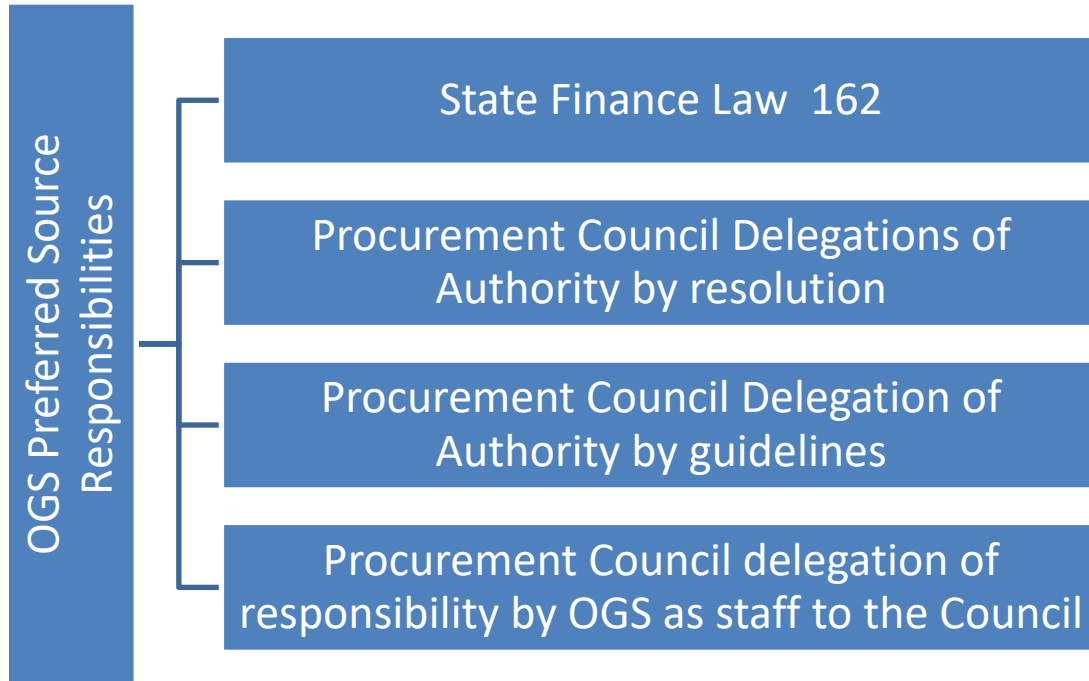
Communication

Questions



Preferred Sources & OGS

OGS Responsibility



OGS Responsibility

- NYS Finance Law Section 162(6)
 - Confirms the reasonable cost of required labor, materials, and overhead to be incurred under efficient methods of procurement, production, performance, and administration
 - Confirms that price is within 15% of prevailing market

OGS Responsibility

- Delegated by Procurement Council resolution
 - Requires OGS to approve the price of all approved commodities and services over \$50,000 provided by Preferred Sources offered to state agencies, political subdivisions or public benefit corporations
 - In 2004 a Council resolution designated OGS with standing authority to act on their behalf to approve applications for new preferred source commodities where:
 - Price is within 10% of prevailing market, and
 - Value is less than \$500,000 (annually), and
 - ESD has no objections from the NYS business community



OGS Responsibility

- Delegated by Procurement Council via Preferred Source Guidelines or staff designation
 - Interfaces with Preferred Sources, Procurement Council, ESD, and purchasers to ensure compliance with State Finance Law and Preferred Source guidelines
 - Reviews and approves applications for new products and product price revisions, and applications for new service offerings and service contracts
 - Confirms that the application references an approved Preferred Source offering (unless seeking approval for a new service offering)
 - Confirms that disabled labor ratios meet statutory requirements
 - Reviews applications for completeness
 - Makes recommendations to the Procurement Council for new products and services

OGS Supports the Preferred Source Program

- Supports new services
- Roadshow/outreaches/Power of Purchasing (POP) Tour
- Feedback
- Preferred source education
- Continuous updates to the electronic service application
- Cost compliance
- Periodic price review



OGS Review Process

- OGS receives an application from a preferred source member or through a designated facilitator (NYSPSP/NYSID)
- The application requires all of the following facts and details
 - Purchaser information, requirements, specification, scope of work
 - Work location, schedule
 - Staffing plan, job titles, tasks, duties
 - Hours, wages, benefits, equipment, maintenance, mileage, supplies, insurance, other costs, and the need for supporting documentation
 - Total cost
 - Evidence that the price is within 15% of the prevailing market (comps)



Compliance Review

- All Preferred Source applications must meet statutory labor requirements
- The Preferred Source must document the reasonable costs of labor, materials, and overhead
 - All costs must be based on a customer's requirement
 - All costs must reflect efficient methods of procurement, production, performance, and administration

Compliance Review

- Proposed prices of products and services must be as close to the prevailing market price as practicable
 - Preferred Source offerings may in no event be priced greater than 15% above the prevailing market prices among responsive offerors for the same or equivalent commodities or services in the same market
 - OGS uses the Prevailing Market Resource sheet that is posted on the website

Updates

Updates


- New website:
<https://ogs.ny.gov/procurement/preferred-sources>
- Electronic Service Application (ESA)
- Completeness for Commodities
- Procurement Guidelines
- Preferred Source Guidelines (coming soon)
- How to Use the Electronic Service Application guide

Where Do I Find the Electronic Service Application (ESA)?

Real Estate Design & Construction Procurement Government Support Do Business State Employees Visit

Preferred Sources













Preferred Sources Resources



SECTIONS

- Forms
- Status Reports
- Related Guidelines
- Training Resources

Forms

	Preferred Source Service Application Overview MS Word	 DOWNLOAD
	Preferred Source Form 1 Agency Application MS Word	 DOWNLOAD
	Preferred Source Form 2 Preferred Source Application MS Word	 DOWNLOAD
	Preferred Source Form 3 Service Cost Summary MS Excel	 DOWNLOAD
	Preferred Source Form 4 Agency Acceptance MS Word	 DOWNLOAD
	Preferred Source Checklist & Guide to Prevailing Markets MS Excel	 DOWNLOAD

<https://ogs.ny.gov/procurement/preferred-sources-resources#formsRegular>

Service Application Timeline

Electronic Service Application (ESA)

- Required for all proposed Preferred Source Services Applications with a value exceeding \$50,000
- The Overview, 4 Forms plus attachments
 - **Application Overview** – process summary, instructions, and index of documents
 - **Form 1** – Purchasing Agency Statement of Work
 - **Form 2** -- Preferred Source Facilitating Entity Service Application
 - **Form 3** -- Preferred Source Cost Summary
 - **Form 4** -- Purchasing Agency Approval
 - **Attachments** -- Application Letter to OGS & Market Comparison (mandatory), Designating Agency Corporate Partner Approval/Prevailing Wage/Prior Contract Approval Letter (if applicable)

Electronic Service Application - ESA

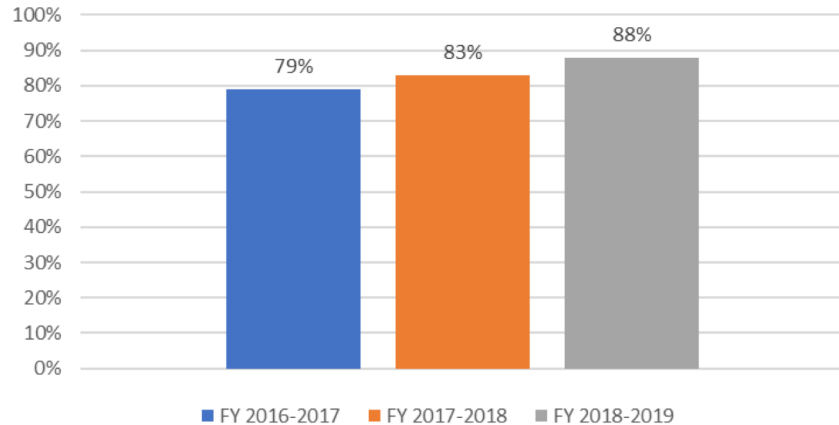
- Process
 - The purchasing agency fills out Form 1 and sends it the Preferred Source facilitating entity
 - The Preferred Source facilitating entity fills out Forms 2 and 3 and submits them to the purchasing agency with all applicable attachments
 - The purchasing agency will review all forms and attachments
 - The purchasing agency completes Form 4 and returns all forms and attachments back to the Preferred Source facilitating entity
 - The Preferred Source facilitating entity will submit all required service application documents to OGS
- The overview, forms and How To Use Guide are online

How Are We Doing?

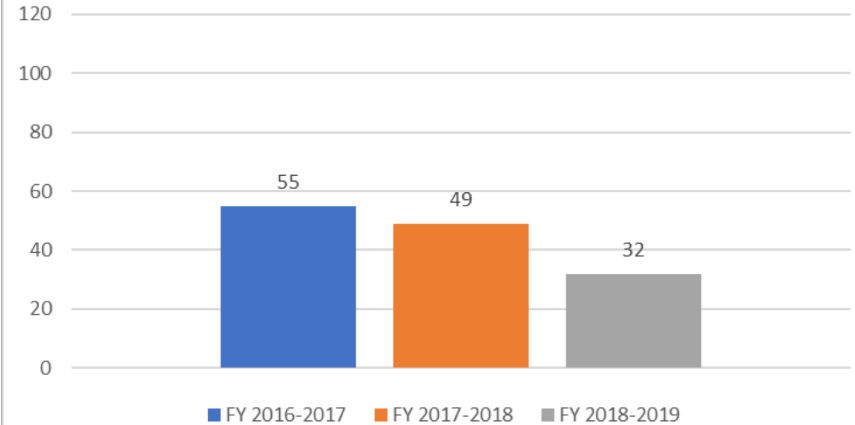
- **Application approval metrics**
- **Expediting approvals**
- **Goal setting**

Commodity Application Approval Metrics

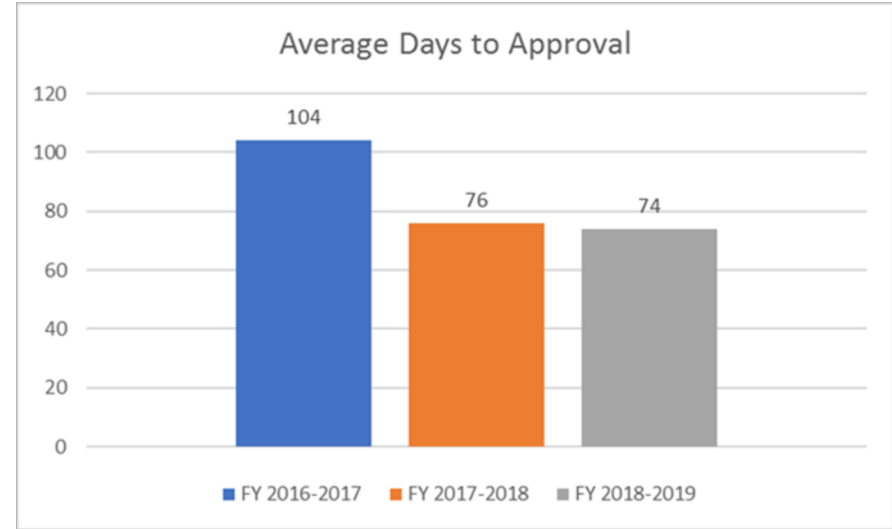
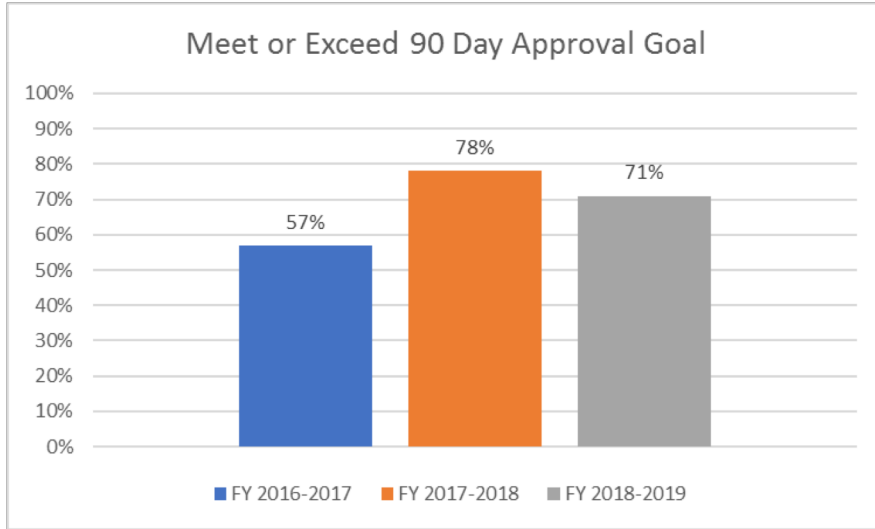
Meet or Exceed 90 Day Approval Goal



Average Days to Approval



Service Application Approval Metrics



Anatomy of a Successful Application

- Quality control - OGS often gets applications that contradict themselves, or contain errors
- Clear expectations on equipment amortization and cost escalators, including salary increases
- Automation and standardization
- Scope, form, function, and utility, and matching work to the definitions

Anatomy of a Successful Application

- Quality control
 - Terminology
 - Completeness
 - Consistency
 - Conflicting information
 - Math

Anatomy of a Successful Application

- Equipment amortizations
 - State agencies and authorized users start with the expectation that equipment costs will reflect proportional usage
- Escalators and adjustments
 - Our starting expectation is that increases will have a justification tied to their inclusion and will be specific
 - Increases when appropriate are tied to actual not anticipated market changes
 - CPI, PPI, prevailing wage, minimum wage, etc.
 - Work as both increases and decreases

Anatomy of a Successful Application

- Automation
 - Use Form 3 as intended
 - Do not hard code cells
 - Maximize use of formulas
 - Include all required data generated in Microsoft Excel in Excel format

Anatomy of a Successful Application

- Scope of work, form, function, and utility, and definitions
 - Past is not prologue: Each time a service application is submitted to OGS for review it is a new application
 - Consider what has changed since the last time the same service was included in an application.
 - The service was not defined in the prior approval cycle
 - Another preferred source may provide the same services now
 - The needs of the agency may have changed
 - New laws, policies, and procedures
 - The economic landscape for the commodity or service may have changed
 - Changes to Minimum and/or prevailing wage
 - Updated forms

Anatomy of a Successful Application

- New service Contracts are not extensions or renewals
 - A new price concurrence requires a complete application

Shared OGS & Preferred Source Goals

- Proposed goals
 1. 90% of all applications are approved in 90 days
 2. Commodity applications approval time average reduced to 30 days
 3. Service Application approval time average down to 60 days

Shared OGS & Preferred Source Goals

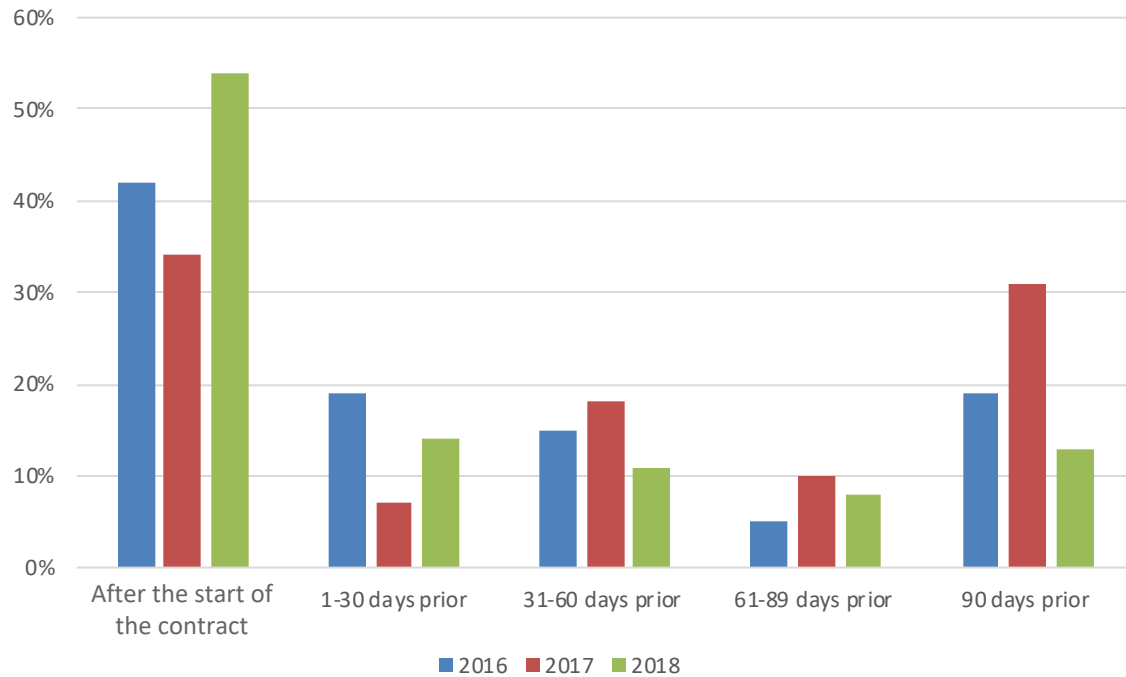
- OGS will coordinate through the facilitating entities to provide specific examples of each of these pitfalls
 - Sample best practice applications as training tools
 - Procurement Council can revise the Preferred Source guidelines
 - Facilitating entities can support additional application training and can review all submissions for these issues before OGS receives them
 - Preferred Source facilitating entities can review applications for quality control before submissions
 - State agencies can provide clear and concise explanations of scope that facilitate easy to understand explanations and reconciliations

Application Timeliness

- How we are doing?
- Impact when applications are not timely.
- What does a best practice timeline look like?



Timely Submissions of Applications 2016-2018



	2016	2017	2018
After the start of the contract	42%	34%	54%
1-30 days prior	19%	7%	14%
31-60 days prior	15%	18%	11%
61-89 days prior	5%	10%	8%
90 days prior	19%	31%	13%

Application Received After New Contract Start Date (days)	# Apps
0-30	21
31-60	14
61-90	10
91-180	10
over 180	14
Total:	69

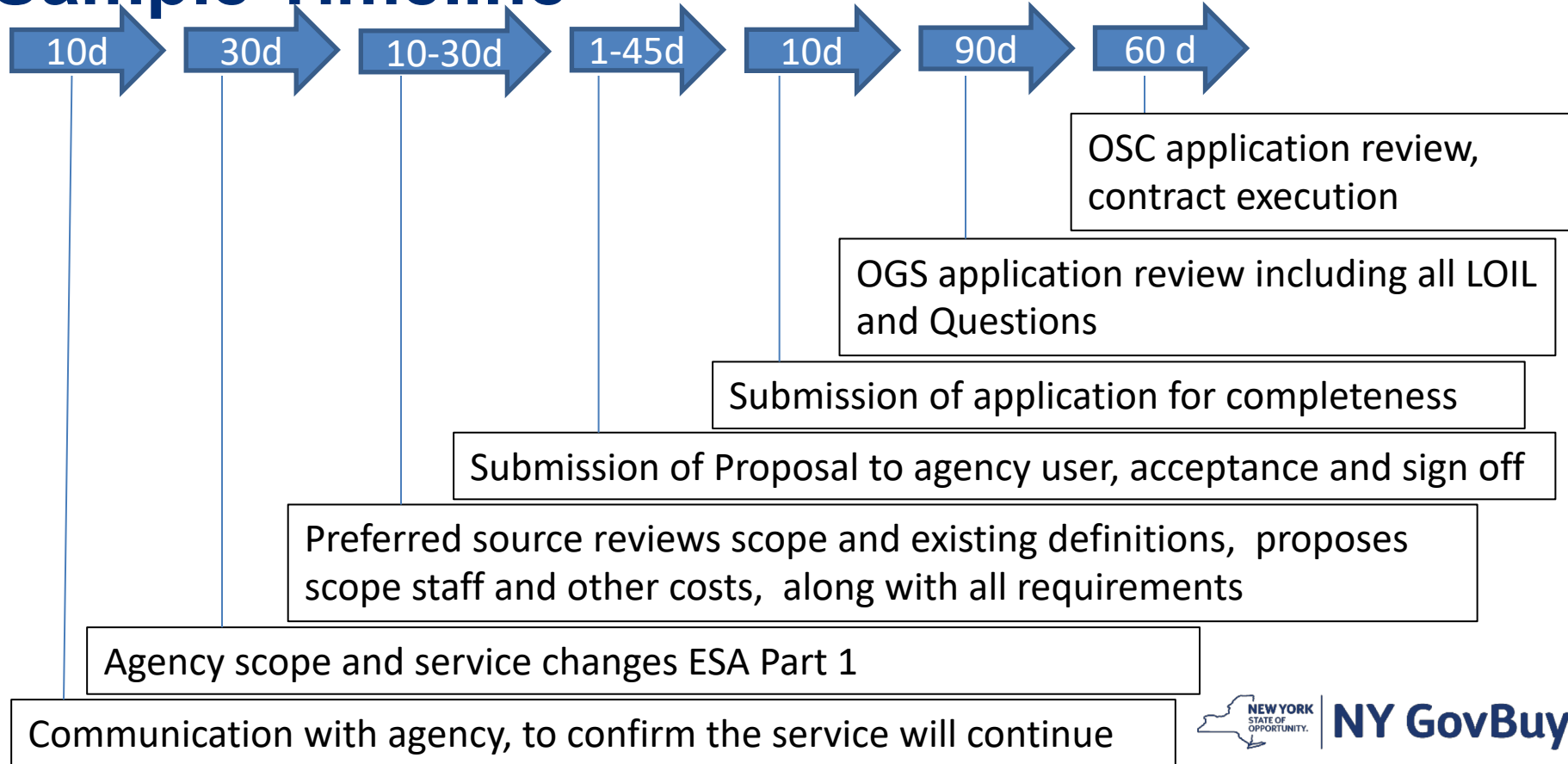


Impact When Submissions are Not Timely

- Individuals with disabilities working at risk
- Financial strain on preferred source and facilitating entity which may affect other services
- Potential risk to the corporate partner relationship
- Confusion among stakeholders
- All normal contract review processes become strained or approvals are rushed and expose all participants to unneeded risk



Sample Timeline



Things That May Affect Your Application Timeline

- Agency completion of application Form 1
- Preferred Source or facilitating entity time to prepare a response
- OGS completion review – 10 business days
- OGS review of application – up to 90 days
- Comptroller review up to 90 days
 - Applications not subject to State Comptroller review may be subject to legislative or other review – note that these boards may only meet periodically
- Based on these timelines, OGS recommends you begin the planning process 9-12 months in advance

Communication

In Support of the Program...

- Open invitation for any member to come into the office and meet with OGS
- Updated website: <https://ogs.ny.gov/procurement>
- Application status tracker
- Maximizing the communication at all stages will save time later – the sooner we resolve issues, the faster approvals can happen
- Webinars
- Ongoing education of facilitating entities
- Quarterly meetings
- Third town hall is the continuation of our commitment to communication

Conclusion



OGS Commitment

- Supporting the meaningful, long-term employment of disabled, blind, and visually impaired residents of NYS
- Fulfilling the responsibilities set forth by NYS Finance Law
- Contact the OGS Preferred Source Team at OGS.sm.PS_CM_PREFERREDSource@ogs.ny.gov

Questions?

