

**Draft Minutes of the Meeting  
New York State Procurement Council  
November 19, 2014 - 11:00 A.M.  
Meeting Room 6  
North Concourse  
Empire State Plaza  
Albany, NY**

**I. Call to Order**

Sergio Paneque, Chief Procurement Officer, OGS NYS Procurement called the meeting to order and thanked everyone for attending.

Mr. Paneque announced a new membership update. Michael Whyte from the NYS Council of Veterans was recently appointed by the Legislature to the Council.

**II. Minutes of Meetings**

Sergio Paneque asked Council members for additions or corrections to the draft minutes from the October 15, 2014 meeting. Since there were no additional changes offered, a motion to accept the minutes as presented was made by Michael Hurt seconded by Gerard Minot-Scheuremann, and passed unanimously.

**III. Procurement Related Legislation Updates**

Anne Phillips, OGS Deputy Counsel & Director of Legislative Affairs, advised that the Legislature is currently vetting departmental proposals among the agencies. Ms. Phillips anticipates to report back to the Council on departmentals that will be advanced in the Legislature in 2015. There was a piece of Procurement Legislation which established the Service Disabled Veteran Owned Business Act that OGS is in the process of implementing. Ms. Phillips anticipates a presentation on this program at the January 2015 Procurement Council meeting. This Legislation can be found in chapter 22 of the laws of 2014.

**IV. Updates on E-market Place Catalogue**

Susan Filburn, Assistant Director of NYSPRO, discussed the updates on the E-market Place Catalogue and E-invoicing. The marketplace site will provide access to statewide contract suppliers in one collaborative online environment; similar to that of an "Amazon" like purchasing experience. The main scope of the E-market place is the centralized catalogues. Ms. Filburn stated that, in the future NYSPRO will look to develop agency catalogues. It is a future vision that the E-market place catalogue will have the ability to search warehouse items. E-invoicing was initially rolled out to support the OGS Business Service Center, but in actuality serves as electronic invoicing across all state agencies. Outcomes of the E-market Place Catalogue and E-invoicing include: a more efficient and streamlined procurement business process; better management of statewide contract suppliers, items and pricing; the ability to analyze spend data to identify best savings opportunities; paperless invoicing; and the ability to process invoices with greater efficiency and accuracy.

Ms. Filburn further advised that purchases made through the E-marketplace will go through SFS and a purchase order would be issued through E-invoicing. In addition, NYSPRO is working to integrate P-Card transactions with SFS to collect the data on these type of transactions.

**V. EE1 – Item Master**

John Corbett, OSC Project Comptroller, and Bonnie Gold, ITS Project Officer on the EE1-Item Master project, presented information and updates on the EE1 Item Master. The Item Master is at the core of how the E-Marketplace operates. In 2012 the Statewide Financial System (SFS) was implemented and one of the additional functions of SFS is the Enterprise Enhancement First phase known as EE1. New functionalities are being added which include: Enterprise Services Automation (ESA), eSettlements, and Asset Lifecycle Management (ALM). They are adding functions such as: Procurement Contracts, Bulkload Extracts, and Budget/Commitment Control. The Technological Upgrade is to PeopleSoft 9.2 Upgrade/Technology Stack. The EE1 Project Timeline Started November 2013, and is anticipated to "Go Live" April 2015. It was decided for the EE1 Project that it would be ideal to go back to best practices by: Leveraging delivered controls, streamlining and enhancing processes, increasing Procurement intelligence, and fiscal responsibility. The three

areas of Procurement that are being focused on are: contract definition, contract maintenance, and purchasing. The EE1 overview from the vendor perspective is to be able to do business with NYS in a fashion similar to how they deal with their commercial customers. The Item Master is currently used for a limited number of disaster stockpile items. The Item Master gives us visibility into what we are purchasing. It is being expanded to include non-emergency items. The benefits of expanding the Item Master include: supporting procurement and inventory automation, improved business intelligence, clear and consistent naming conventions, and enhanced flexibility when ordering for buyers and procurement managers. Caps of spending are being put in place, for both localities and state agencies. Purchase Orders (POs) will be impacted. POs will be required for a majority of purchases, all POs (including those against agency contracts) will be used as ordering documents, and the use of a PO will be treated as a true ordering document, not as evidence of encumbrances.

In addition, the Council was advised that commodity codes will have more value as the Item Master is being utilized more. Commodity codes are being tied to Item Master, which is being tied to account codes, therefore there is value in keeping those codes. In addition, steps are being taken so that duplication of orders does not occur. There is also discussion on establishing an upfront account segregation based on the enacted budget.

## **VI. Updates on IT Procurement**

Mark Kleinhenz, from NYSPRO, presented updates on Information Technology Procurements. NYSPRO has initiated an assessment of whether the current IT contracts were meeting NYSPRO needs, and the needs of our customers. It was decided that the structure of the IT contracts needed to be changed. As a result, a new IT suite of contracts are being developed. The first component is a Project Based Consulting contract, which will provide a lot structure for fixed-priced deliverable contracts. Each contract will be for a maximum three-year term. A core component of a Project Based Consulting Contract is mandatory competition amongst the companies prequalified by NYSPRO. This philosophy is meant to bring vendors in and get the product as quickly as possible. The second component is an Umbrella contract that will eventually replace current hardware and software contracts with contracts for the cloud, connectivity, and full implementation services. The intent of the Umbrella Contracts is to make acquiring from IT Manufacturers fast and easy especially since the IT world is changing so rapidly. The third piece is the Umbrella Distributor contract, which is still in the conceptual phase.

## **VII. Preferred Source Recommendations under OGS Standing Authority**

Christine Irvine, Assistant Director of NYSPRO advised that there were two Preferred Source applications approved under OGS's Standing Authority since the last report in May 2014. The first application was for a green dress blouse that was requested by DEC. The second approved application was for googles, face shields, and visors requested by NYS DOT. Both applications were of nominal value.

## **VIII. Proposed Dates for 2015 Procurement Council Meetings**

Sergio Paneque advised that the State Procurement Council meetings for the next calendar year are currently scheduled for: Wednesday, January 28, 2015; Wednesday, May 27, 2015; Thursday, September 10, 2015; and Tuesday, November 17, 2015.

## **IX. Open Council Discussion**

David Russo, Director Consolidated Business Office – Office of Mental Health (OMH), asked a question regarding the recent increase for agency MWBE goal requirements. He stated that since the MWBE goal requirements were going up to 30%, it makes it difficult for agencies to comply with the current requirement of submitting their reports to ESD within 15-days of the end of the quarter. He wondered if it was possible to increase the 15-day requirement to 45-days as it was difficult for agencies to gather the data required to perform the analysis within 15 days. Sergio Paneque said he will bring this concern to OGS's MWBE office.

There being no other business to discuss, a motion to adjourn was made by Michael Hurt, seconded by Ron Romano and passed unanimously. The meeting adjourned at 12:44 PM.

**Members (Representatives) in Attendance on  
November 19, 2014:**

James Bays – Ag & Mkts  
Andrew Bechard – ITS  
Margaret Becker – OSC  
Christine McCann – ESD  
Joseph Zeccolo – DOH  
Kelly S. Higgins – OPWDD

Thomas Hippchen – SUNY  
Michael Hurt – DOCCS  
Gerard Minot-Scheuremann – DOB  
Sergio Paneque – OGS  
David Russo – OMH  
Mecca Santana – Chief Diversity Officer

**At-Large Members in Attendance:**

Ronald Romano – NYSID

Richard St. Paul – Local Governments

**At Large Members Absent:**

Edul Ahmad – The Ahmad Group  
Rashida Mendes – RM Capital, LLC  
Ronald Tascarella – NIB

Gregory Weston – Pillsbury, Winthrop, Shaw, Pittman LLP  
Mike Whyte – Council of Veterans Organization

**Also in Attendance:**

Christine Irvine – OGS  
Anne G. Phillips – OGS

**NYS PROCUREMENT COUNCIL  
VOTING RECORD**

Meeting Date: November 19, 2014

Question, Motion or Issue:

Approval of the October 15, 2014 Meeting Minutes

MEMBER (Representative)	VOTE			
	AYE	NAY	ABSTAIN	ABSENT
<b>COMMISSIONER OF GENERAL SERVICES</b> Sergio Paneque (Anne Phillips) (Christine Irvine)			X	
<b>Chief Diversity Officer</b> Mecca E. Santana (Ashley Harrington)	X			
<b>Office of the State Comptroller</b> Margaret Becker (Charlotte Breeyear) (Diane Taylor)	X			
<b>Director of the Budget</b> Anne Bink (Jerry Minot-Scheurmann)	X			
<b>Commissioner of Economic Development</b> Steven Cohen (Christine McCann)	X			
<b>NY Apple Association</b> Jim Allen				X
<b>AGENCY REPRESENTATIVES</b>				
<b>Ag &amp; Mkts</b> (Lucy Roberson) James B. Bays (Carol Casale)	X			
<b>DOCCS</b> Michael Hurt (Michael Elmendorf)	X			
<b>SUNY</b> Thomas Hippchen (Kellie Dupuis)	X			
<b>OPWDD</b> Kelly S. Higgins (John F. Smith)	X			
<b>DOH</b> Marybeth Hefner (Joseph Zeccolo)	X			
<b>ITS</b> (Theresa Papa) Andrew Bechard (John Cody)	X			
<b>OMH</b> David Russo (Jason Wilkie)	X			
<b>AT-LARGE MEMBERS</b>				
Mike Whyte				X
Ronald Tascarella – NIB				X
Rashida Mendes				X
Richard St. Paul	X			
Gregory Weston				X
Ron Romano - NYSID	X			