



MEMORANDUM

To: New York State Procurement Council
From: OGS Preferred Sources Team (as Staff to the New York State Procurement Council)
Date: September 14, 2016
Subject: Transcription Services Application for New York State Preferred Source Program for People who are Blind (“NYSPSP”)

Transcription Services for NYSPSP application seeks New York State Procurement Council (“Procurement Council”) approval to the List of Preferred Source Service Offerings, Section D

OVERVIEW

The New York State Preferred Source Program for People who are Blind (NYSPSP) has submitted an application dated July 19, 2016 to the Procurement Council to add Transcription Services to its list of approved Preferred Source offerings¹. In an effort to increase accessibility of information on their website, the Department of Health approached NYSPSP seeking transcription services to transcribe their webinars posted on the DOH website. NYSPSP’s member agency in Buffalo, the Olmsted Center for Sight (Olmsted), had some expertise in this area, and offered to do a pilot project to demonstrate their ability to successfully do this transcription work and determine appropriate pricing.

This pilot program was conducted at no cost to the state and enabled NYSPSP and Olmsted with DOH to develop the scope, identify requirements, set expectations, and to evaluate the ability of Olmsted to provide qualified employees to complete the transcription of audio and video data into document format. This pilot concluded successfully, and provided the essential details used to estimate the costs proposed in this application. NYSPSP is seeking to add Transcription Services to its list of approved offerings.

PROCUREMENT COUNCIL APPROVED DEFINITION

Transcription is the process of making a written, printed, or typed record of words that have been spoken. This process involves listening to live speech or to an audio or video recording, and then keying the text via a keyboard to create a written transcript. This transcript may be provided to the customer electronically or in hard copy. This service may include rendering an exact, word-for-word transcription, a paraphrased transcription or a transcription containing no grammatical errors. Transcriptionists often use special software, but standard word processing software may also be used. This service shall not include translation services.

LEGAL AUTHORITY

State Finance Law §162(3)(b) provides that the Procurement Council may recommend the addition of services to the List based upon a review of relevant factors as determined by the Procurement Council “including costs and benefits to be derived from such addition and shall include an analysis by the Office of General Services.”

In addition, the Preferred Source Guidelines adopted by the Procurement Council contain detailed requirements for applications to add services to the List, set forth in Section X.D., Application Requirements. Such requirements include, among other things: (i) information on the potential market for new service; (ii) the nature of the tasks workers with disabilities will perform; (iii) the identities of any corporate partners the preferred sources will be working with to provide the services; (iv) the value added by the preferred source client labor to the service; (v) the number and hours of direct labor to be performed by people with disabilities; (vi) the percentage of direct labor workers with disabilities; (vii) the projected costs/benefits expected to accrue to the State and the preferred sources, as well broader social and economic impacts on client employment and government costs;

¹ Earlier in 2016, NYSPSP submitted an application for Transcription Services, but the pricing did not correlate to the industry standard of pricing transcription per page, making it impossible for OGS to review their pricing. As such, the original application was withdrawn and a new application was resubmitted for review and consideration.

(viii) the identities of the current suppliers or contract holders of the proposed service, if known; (ix) information sufficient for OGS to approve the price data and confirm that no individual service component will exceed 15% above prevailing market price. Applicants are also encouraged to provide independent market analyses to be considered in the OGS determination of prevailing market price.

NYS PSP APPLICATION INFORMATION

The NYS PSP application provides an overview of the services proposed to be offered to DOH (and future contracts), and includes a description of the labor and work process proposed. This application contains job titles and descriptions, unit pricing and hourly wages, a detailed cost analysis, as well as, comparable pricing from OGS Centralized contracts.

Olmsted Center for Sight has been identified as the lead Member Agency who will train and employ the blind and visually impaired staff to provide transcription services to public sector purchasers. Olmsted started training and developing people to perform transcription two years ago for select elementary schools that needed transcription of their text book material. The Department of Health (DOH) expressed a need for transcribing of webinars. To ensure proficiency and determine the billable rates, DOH provided a webinar to Olmsted for transcription. Olmsted determined that they had the skills and efficiencies to offer this as a competitive service.

Olmsted has staff and supervisor(s) with previous transcription experience. With magnification and/or screen reader software, transcription is an ideal job function for people who are blind or visually impaired. With this adaptive technology NYS PSP will meet the blind direct labor ratio and anticipate using 100% blind labor for the majority of the work. Specific direct labor tasks related to general transcription include receiving audio/video files, preparing the file for transcription, transcribing, formatting to the desired standard and deliver electronically to the customer. For the desired initial contract included with this application, the FTE's created at Olmsted would be 0.556 people. NYS PSP believes it will be able to grow this number with additional contracts in the coming years and maintain a Transcription team of 3-6 full time people at Olmsted.

The current NYS State contract pricing, vetted by OGS, is priced per page at standard completion rates. NYS PSP based their price on 10,000 pages, similar to the potential contract with the Department of Health. The application and accompanying "Cost Analysis" form provides detail regarding labor and overhead rates using existing full time staff at a competitive wage for this function. NYS PSP's price per page is \$2.24 per page for standard service and they also offer express service for urgent customer needs.

STAFF COMMENTS ON THE APPLICATION

There are currently three OGS Centralized Contracts that offer Transcription Services under Award 22599 Administrative Services. This contract was awarded on 10/25/12 and will remain active until its scheduled expiration date of 10/24/17. OGS calculated the annual contract sales of transcription services in fiscal years 2013-14, 2014-15 and 2015-16, and concluded that the combined average annual statewide spend for transcription services is \$561,102.00

• PS65904 ANP Reporting	Average Annual Transcription Sales	\$211,251.00
• PS65911 Escribers, LLC	Average Annual Transcription Sales	\$283,687.00
• PS65914 Geneva Worldwide, Inc.	Average Annual Transcription Sales	\$ 66,164.00

Given the high volume of combined sales, which exceeds the \$500,000.00 threshold level for OGS approval, Procurement Council approval is required for this new service offering for NYS PSP.

Similar to the OGS Administrative Services contract, NYS PSP offers competitive pricing and a tiered schedule for delivering work completed within 7 days or less, depending upon customer needs. The table below summarizes how the NYS PSP application compares to the NYS contract for Transcription Services. This table was contained in the NYS PSP application and shows that their pricing is within 15% of market.

Vendor	Description	Price per page (7 days)	NYSPS Price vs. Contract Vendor	3-Day Completion	PS Price vs. vendor	Next Day	PS Price vs. vendor	Addition al page cost	PS Price vs. vendor	Cost per Disc	PS Price vs. vendor	Cost per USB Jump Drive	PS Price vs. vendor
NYS OGS State Contract - Group # 73003, Lot 3													
Geneva Worldwide	Primary Contract Holder	\$2.00	10.6%	\$2.15	14.0%	\$2.51	14.9%	\$0.15	14.3%	\$5.01	12.9%	\$2.00	13.0%
ANP Reporting	Secondary Contract Holder	\$2.00	10.6%	\$2.50	0.0%	\$3.00	-1.7%	\$0.30	-71.4%	\$10.00	-73.9%	\$10.00	-334.8%
Escribers	Tertiary Contract Holder	\$2.71	-21.1%	\$4.11	-64.4%	\$5.72	-93.9%	\$0.78	-345.7%	\$3.12	45.7%	\$10.41	-352.6%
NYSPSP	Preferred Source	\$2.237		\$2.50		\$2.95		\$0.18		\$5.75		\$2.30	

It is anticipated 3-6 individuals who are blind or visually impaired will be employed full time to support future Preferred Source Transcription Service contracts performed by NYSPSP. OGS, acting as Staff to the Procurement Council reviewed the NYSPSP application and determined that the application was complete and met the requirements for a new offering for their members, as identified in the 2014 New York State Procurement Bulletin; Preferred Source Guidelines section "X" Adding a Commodity or Service to The List of Preferred Source Offerings. Staff also reviewed the list of Preferred Source Offerings, confirming that NYSPSP has not obtained prior approval to offer Transcription Services as a Preferred Source. A matrix outlining the results of our review using the requirements (items 1-10) identified in the Preferred Source Guidelines is attached to this recommendation as Attachment A.

In addition to the centralized contract for Transcription Services, the New York State Industries for the Disabled ("NYSID") has had long-standing approval to offer Transcription Services as a Preferred Source service. NYSID application #1094 dated April 23, 2010 is the most recent application for Transcription Services on file with OGS. That contract expired at the end of 2010 and NYSID confirmed they have had no other contracts for Transcription Services including contracts under \$50,000, since early 2010. Corcraft is not authorized to provide any services as a Preferred Source, therefore, OGS finds the other preferred sources will not be impacted by approval of this service to be performed by NYSPSP.

EMPIRE STATE DEVELOPMENT REVIEW:

Empire State Development supports this application and has determined that approval will not have an adverse impact on a significant number of New York State businesses.

STAFF FINDINGS

- a. The NYSPSP application contains clearly identified labor steps, which explain the work process and deliverable expectations for the blind and visually impaired employees and represents an opportunity for them to grow their employment of blind workers.
- b. Transcription services may provide meaningful long-term employment for 3-6 blind and visually impaired employees.
- c. The application includes both hourly rate and per page costs (which includes all costs) that are within 15% of prevailing market prices.
- d. This application is in compliance with both the Preferred Source and Procurement Council Guidelines.
- e. Empire State Development supports approval of this application.

STAFF RECOMMENDATION

Staff recommends that the Procurement Council approve the application to add Transcription Services as a new NYSPSP service offering on Section D of the List of Approved Preferred Source Offerings.

Enclosures: ESD Recommendation Memo
 Attachment A – Preferred Source Guidelines § X for Transcription Services.

TO: Susan Filburn, Office of General Services

FROM: Christine McCann, Empire State Development

CC: Beth Warren, ESD; Joe Donohue, NYSPSP; Christine Irvine, OGS

DATE: September 2, 2016

**RE: Application for Preferred Source New Service:
Transcription Services for NYS Department of Health**

ESD has completed its review of the application from NYSPSP for the addition of transcribing A/V taped material for the NYS Department of Health.

I spoke to three court reporters from separate companies all located in Buffalo, NY to see if their firms offer A/V transcription services. All three clearly stated this type of work is not desirable because it would take too much time away from their profession and would not be cost effective. One court reporter explained that transcribing a two hour deposition costs between \$300 - \$450. However, transcribing A/V material from a meeting or a webinar is a longer process due to the continual rewinding of the taped material that must be performed to be able to clearly hear what is being said. This is a challenge to transcribing A/V material when a person is not present at the function that is being transcribed. It was suggested that it would be more financially beneficial to find a typist, secretary, unskilled labor or anyone with a personal computer to do the transcription.

Court reporters are in the litigation service sector, which generate legal and formal reports. Transcribing A/V materials would not be considered a part of litigation. Therefore, smaller court reporting firms in New York State would not be affected if NYSPSP were to transcribe A/V taped material for the NYS Department of Health.

Empire State Development has no objections to this application.

Preferred Source Guideline Section X. D. for Transcription Services (Application # 2067)

The application made by the Commissioners of Corrections, Office of Children and Family Services or Education, or the facilitating agencies, must provide the following information for both commodity and service applications:

D. Preferred Source Application Requirements	Requirement A		Requirement B		Requirement C		Requirement D
<p>1.Commodity Specification/Service Description – The application shall include the name of, and a description of, the commodity or service (either by specification or narrative explanation), including a recitation as to how it is new or substantially different from the commodities/services already offered by the preferred source.</p>	<p>Application Name</p>	<p>NYSPSP Transcription Services (#2067)</p>	<p>Application Description</p>	<p>This is an application to authorize NYSPSP to provide Transcription Services (as defined below) as a Preferred Source Offering. Procurement Council Definition for Transcription Services says: <i>"The process of making a written, printed, or typed record of words that have been spoken. This process involves listening to live speech or to an audio or video recording, and then keying the text via a keyboard to create written transcript. This transcript may be provided to the customer electronically or in hard copy. This service may include rendering an exact, word-for-word transcription, a paraphrased transcription or a transcription containing no grammatical errors. Transcriptionists often use special software, but standard word processing software may also be used. This service shall not include translation services."</i></p>	<p>Recitation as to how it is new or substantially different from the commodities/services already offered by the preferred source.</p>	<p>NYSPSP is not currently authorized to offer Transcription Services as a Preferred Source. NYSPSP is seeking to do audio and video transcriptions and other types of transcription services excluding medical transcription.</p>	
<p>2.Market Information – The applicant should provide information on the scope of the potential market for the commodity or service.</p>	<p>Market Scope</p>	<p>NYSPSP estimates first year sales at \$22,369.28 with growth in future years as opportunity grows and matures.</p>	<p>Potential Market</p>	<p>Current OGS Admin Services Contract for Transcription Services has combined average annual sales of \$561,000 statewide.</p>			
<p>3.Client Employment – The applicant should identify the nature of the tasks the clients of the preferred source will perform in the preparation of the commodity or in providing the service. Projected employment opportunities for clients should be quantified.</p>	<p>Identify the nature of the tasks the clients of the preferred source will perform</p>	<p>Specific direct disabled labor tasks related to general transcription include receiving audio/video files, preparing the file for transcription, transcribing, formatting to the desired standard, proofreading and delivering the output in hard copy or electronic file based on request of the customer.</p>	<p>Projected employment opportunities for clients should be quantified.</p>	<p>This opportunity is in its infancy. NYSPSP has estimated that their first contract will employ .56 FTE, Direct Disabled Labor. 100% of Transcription Services labor will be provided by blind direct labor workers. NYSPSP is looking to grow to have a Transcription team of 3-6 FT staff.</p>			
<p>4.Preferred Source – The applicant should identify the specific preferred source which will provide the commodity or service, and provide evidence of the preferred source's qualifications and expertise to manufacture, produce or assemble the commodity or provide the service. If applicable, the preferred source shall also identify the corporate partner the preferred source will be working with to provide the services.</p>	<p>Identify the specific preferred source which will provide the commodity or service</p>	<p>Olmsted Center For Sight in Buffalo, NY is the lead agency who will train and employ the blind and visually impaired staff. Additional NYSPSP members may be added to meet customer needs, if required.</p>	<p>Provide evidence of the preferred source's qualifications and expertise to manufacture, produce or assemble the commodity or provide the service.</p>	<p>NYSPSP's member agency has staff and supervisors with previous transcription experience. Additional people will be trained to insure there is sufficient staff available for potential new contracts. Olmsted started training and developing people to perform transcription two years ago for select elementary schools that needed transcription of their text book material. The Department of Health expressed a need for transcription of their webinars. Olmsted performed a pilot transcription program to demonstrate their proficiency and to determine rates using a DOH webinar. Olmsted determined that they had the skills and efficiencies to offer this as a competitive service</p>	<p>If applicable, the preferred source shall also identify the corporate partner the preferred source will be working with to provide the services.</p>	<p>No Corporate Partnerships are required for this application.</p>	

Preferred Source Guideline Section X. D. for Transcription Services (Application # 2067)

The application made by the Commissioners of Corrections, Office of Children and Family Services or Education, or the facilitating agencies, must provide the following information for both commodity and service applications:

D. Preferred Source Application Requirements	Requirement A	Requirement B	Requirement C	Requirement D
<p>5. Value Added – The application must specifically address the value added by preferred source client labor to the finished commodity or service.</p>	<p>Specifically address the value added by preferred source client labor to the finished commodity or service</p>	<p>Using adaptive technology, NYSPSP will create a written record of text using an audio or video file or a live source as provided by the customer. Specific direct disabled labor tasks related to general transcription include receiving audio/video files, preparing the file for transcription, transcribing, formatting to the desired standard, proofreading and deliver the output in hard copy or electronical file based on request of the customer. These services can provide meaningful work to the blind or visually impaired.</p>		
<p>6. Direct Labor Workforce – The application must specifically detail the number and hours of the direct labor employed in the provision of each preferred source commodity and service agreement and reflect the objective that 75% of the direct labor be provided by people who are blind or by people with disabilities. The following guidelines allow exceptions for commodity and service agreement phase-in, and for commodities and service agreements requiring a workforce of 10 people or less (measured as full-time equivalents):</p>	<p>Detail the number and hours of the direct labor employed in the provision of each preferred source commodity and service agreement</p>	<p><u>Employment:</u> Initially, 0.56 FTEs to start. As the demand grows, NYSPSP seeks to create a Transcription Team with 3-6 FTEs at Olmsted. Other members may deliver this service as well, if there is a demand for it.</p> <p><u>Labor Task, Number Pages, Estimated Duration</u></p> <p>1. Receive audio file = 1 min per page average = .016 hour per page 2. Prepare audio file = .42 1 min per page average = .007 hour per page 3. Transcribe text = 2 min per page average = .033 hour per page 4. Format document file 2.4 min per page average = .04 hour per page 5. Send finished output = .42 min per page average = .007 hour per page</p>	<p>Reflect the objective that 75% of the direct labor be provided by people who are blind or by people with disabilities.</p>	<p>It is anticipated that 100% of Transcription Services direct labor will be provided by workers who are blind or visually impaired.</p>
<p>a) 75% of the direct labor under a preferred source agreement must be provided by people who are blind or by people with disabilities. For commodity or service agreements requiring a workforce (working supervisors and laborers) of 10 people or less, a majority of the direct labor must be provided by people who are blind or by people with disabilities.</p>	<p>75% of the direct labor under a preferred source agreement must be provided by people who are blind or by people with disabilities.</p>	<p>100% direct labor by NYSPSP is for people who are blind or visually impaired. The total direct labor workforce involved in this application is comprised of 10 or fewer employees (FTEs).</p>	<p>For commodity or service agreements requiring a workforce (working supervisors and laborers) of 10 people or less, a majority of the direct labor must be provided by people who are blind or by people with disabilities.</p>	<p>A majority of these employees are blind or visually impaired.. It is anticipated that 100% of Transcription Services direct labor will be provided by workers who are blind or visually impaired.</p>
<p>d) These workforce standards will apply to all new commodity and service requests and to all requests for changes in, or renewal of, approved commodities and services.</p>	<p>These workforce standards will apply to all new commodity and service requests and to all requests for changes in, or renewal of, approved commodities and services.</p>	<p>Yes</p>		
<p>e) Direct labor includes all labor other than non-working supervisors.</p>	<p>Direct labor includes all labor other than non-working supervisors.</p>	<p>Yes</p>		

Preferred Source Guideline Section X. D. for Transcription Services (Application # 2067)

The application made by the Commissioners of Corrections, Office of Children and Family Services or Education, or the facilitating agencies, must provide the following information for both commodity and service applications:

D. Preferred Source Application Requirements		Requirement A	Requirement B		Requirement C	Requirement D	
7. Cost/Benefits Analysis – The application will provide a summary of projected costs and benefits expected to accrue to the State, its agency(ies), political subdivision(s), public benefit corporations(s), or the preferred source, as well as any broader social and economic impacts on client employment and government costs. (For example, will a successful application maintain client employment, create employment opportunities for new clients, or result in reduced governmental support being provided to clients through other government programs?) The analysis should be quantitative, but may include qualitative factors.	The application will provide a summary of projected costs expected to accrue to the State, its agency(ies), political subdivision(s), public benefit corporations(s), or the preferred source, as well as any broader social and economic impacts on client employment and government costs.	This application presents new opportunities for meaningful direct labor employment in a service sector. A successful application will result in new employment as well as create and maintain jobs. Transcription contracts vary in scope and price based on the level of automation, proofing, ancillary administrative functions and turnaround time needed. This application is based on transcription similar to what is offered through the NY State contract Group # 73003. Future specific "transcription" contract application submissions may vary in labor and price based on the customer's requirements. NYSPSP is poised to scale their operations based on user needs.					
8. Cost/Price Data – The application should include information sufficient to enable OGS to approve the price data on the commodity or service in accordance with the statute. In the case of Corcraft, the application should include its price for the offered Corcraft commodity. For applications involving multiple commodities (e.g., complete product line, various sizes and packaging, etc.) and individual service rates (e.g., wage rates), the price of each commodity or individual service component may not exceed 15% above prevailing market price. Preferred sources are encouraged to provide independent market analyses to be considered in the OGS determination of prevailing market price.	The application should include information sufficient to enable OGS to approve the price data on the commodity or service in accordance with the statute.	Yes	In the case of Corcraft, the application should include its price for the offered Corcraft commodity.	NA	For applications involving multiple commodities (e.g., complete product line, various sizes and packaging, etc.) and individual service rates (e.g., wage rates), the price of each commodity or individual service component may not exceed 15% above prevailing market price.	NYSPSP has demonstrated that their pricing is within 15% of market pricing (and in some cases lower than that) of 3 current OGS centralized contracts for Transcription Services. The NYS contracts are the standard for purchase absent a Preferred Source offering. NYSPSP demonstrated a competitive price across all delivery points while providing a living wage. See Application: Pricing and Comparable Analysis Preferred sources are encouraged to provide independent market analyses to be considered in the OGS determination of prevailing market price.	NYSPSP used the current NYS contract pricing for Transcription Services which are considered to be prevailing market pricing.
9. Current Suppliers – If the commodity or service is already being purchased by State agencies, public benefit corporations or political subdivisions, the application will list the current suppliers or contract holders if known to the applicant.	If the commodity or service is already being purchased by State agencies, public benefit corporations or political subdivisions, the application will list the current suppliers or contract holders if known to the applicant.	Current suppliers from the OGS Centralized Contract for Transcription Services includes: Geneva Worldwide: PS65914 ANP : PS65904 Escrivers: PS65911 In addition, NYSID may also offer this service.					
10. Preferred Source Suppliers – The application should contain the projected first year value of anticipated contracts and the name(s) and location(s) of the contractor(s) who would supply raw materials, semi-finished or finished products required by the preferred source, including any information as to methods employed in selecting such suppliers, if appropriate.	The application should contain the projected first year value of anticipated contracts	The current projected first year value of this application is \$22,369.28.	The application should contain the name(s) and location(s) of the contractor(s) who would supply raw materials, semi-finished or finished products required by the preferred source	Government customers seeking Transcription Services from NYSPSP will supply the raw materials they seek to have transcribed.	Include any information as to methods employed in selecting such suppliers, if appropriate.	NA	
The application and supporting documentation must be submitted to the State Procurement Council coordinating Office, via the Procurement Services Group of Office of General Services.							
E. Office of General Services Review							
The Office of General Services will review the application to ensure that it is complete and to render the required pricing determinations. OGS may seek to verify or clarify any information included in the application, and may contact the applicant to obtain additional information OGS deems necessary to properly evaluate the application. If, in the judgment of OGS, adequate information on which to make an evaluation has not been provided, the application may be returned to the preferred source for additional documentation. OGS may request one or more State agencies represented on the Council to provide staff assistance to the Office of General Services.							