



MEMORANDUM

To: New York State Procurement Council
From: OGS Preferred Sources Team (as staff to the New York State Procurement Council)
Date: September 9, 2016
Subject: Status of Workgroups

SUMMARY OF ACTIONS

During the Procurement Council meeting held on July 14, 2016, several matters were referred back to workgroups for further findings and presentation to the Council at a future meeting. These matters included (1) NYSID's Application for Mail Fulfillment Services, (2) Laundry Services (Industrial) Definition, (3) Temporary Personnel Office Definition, and (4) Removal of Sections C and E of the List.

Following the July 14, 2016 meeting, OGS met internally to discuss the four workgroups. During that meeting, OGS determined that it had exhausted its internal resources on each of the four matters. In order to provide meaningful recommendations on these matters to the Procurement Council, OGS believes that we must establish formal workgroups that include individuals from outside OGS.

On August 8, 2016, OGS sent an email seeking the input of all Procurement Council Members. In this email, members were presented with a summary of questions and issues surrounding each workgroup. Members were asked to provide (1) proposed responses, (2) additional questions, and (3) additional comments. Members were also asked to indicate which of the four workgroups they would be participating in. We requested responses by the completion of business on August 19, 2016 in order to provide sufficient time to establish the four workgroups before the September 14, 2016 meeting.

RESPONSES FROM PROCUREMENT COUNCIL MEMBERS

As of August 31, 2016, we have not received any proposed responses, additional questions or comments, but some Procurement Council members have volunteered to serve on workgroups, as detailed below:

- (1) NYSID's Application for Mail Fulfillment Services: OMH, SUNY, NYSID, and OGS
- (2) Laundry Services (Industrial) Definition: SUNY, NYSID, and OGS
- (3) Temporary Personnel Office Definition: OMH, NYSID, and OGS
- (4) Removal of Sections C and E of the List: OMH, NYSID, and OGS

OFFERS TO PARTICIPATE BY NON-GOVERNMENT ENTITIES

In addition, several interested parties have volunteered to serve on workgroups:

- (1) NYSID's Application for Mail Fulfillment Services: Center for Disability Services, Printing Industries Alliance members
- (2) Laundry Services (Industrial) Definition: Jawanio
- (3) Temporary Personnel Office Definition: Good Temps
- (4) Removal of Sections C and E of the List: None

NEXT STEPS

At this time OGS is not convinced that another workgroup on NYSID's Application for Mail Fulfillment Services would be productive. The recent OSC audit of NYSID recommends increased oversight and monitoring of

NYSID's operations. Based on views expressed at the last meeting, it appears that some Procurement Council members are reluctant to approve the application until there is a plan in place for oversight and monitoring of mail fulfillment contracts that ensures that digital printing is restricted as required by the definition. OGS recommends that the Procurement Council wait to take any further actions on this application until a plan for oversight and monitoring of NYSID's operations is established between the State Education Department and NYSID.

OGS is not convinced that a workgroup on removing Sections C and E from the List will be productive. Pursuant to State Finance Law §162(3)(b) the Procurement Council "may recommend that the commissioner...in order to insure that such list reflects current production and/or availability of commodities and services, delete at the request of a preferred source, commodities or services from, the list...[t]he council may make a non-binding recommendation to the relevant preferred source to delete a commodity or service from such list." The decision to remove must be made by the preferred sources.

NYSID has made it clear in their past comments regarding changes to the List that it is unlikely to agree to request to delete Sections C and E. Below are NYSID's Comments provided for the July 14, 2016 meeting:

As stated, in 1995 a list was prepared of all commodities and services that were available and being provided from those entities accorded preference or priority status. Whether or not the items currently included in section C and E date back to 1995 is unknown as is whether or not these sections were used solely for marketing purposes. It is clearly recognized however that these items have not been approved as a preferred source item. This does not mean that an agency is prohibited from purchasing this product or service from a Preferred Source provider, but rather that they are not mandated to do so. As a result, it is difficult to understand how these sections provide confusion or how they could result in agencies unintentionally violating State Finance Law." The definition of Schedule C and E provided in the List of Preferred Source offerings clearly denotes this differentiation by stating that "State agencies, political subdivisions and public benefit corporations may choose to purchase these services from the preferred source but are not required to do so." Schedule C and E should remain part of the List of Preferred Source offerings.

Rather than establishing a workgroup, and since only NYSID and Corcraft have items on Sections C and E, OGS requests that NYSID and Corcraft submit by October 28, 2016 to OGS, as Staff to the Procurement Council, their respective final position regarding the prior Staff recommendation that Sections C and E be removed from the List of Preferred Source Offerings. These position statements will be shared with the Procurement Council during the next scheduled meeting.

With respect to the workgroups for the definitions of Laundry Services and Temporary Personnel - Office, OGS believes that in order for these workgroups to produce useful findings and recommendations for consideration by the Procurement Council, there will need to be greater participation by not only Procurement Council members but also other interested parties.

If you are able to provide a representative to assist on one or more of the workgroups, or you have a recommendation for a non-governmental entity to participate, we ask that you provide us with the names, email address and phone number for each such person by September 16, 2016.

OGS would like to hold the first workgroup meeting on the definition of Laundry Services by October 7, 2016, and the workgroup on the definition of Temporary Personnel – Office will meet in January 2017.

OGS will continue to report on the progress of these two workgroups at the future Procurement Council meetings.