



Proposed Revision to the Preferred Source Guidelines: Change the Deadline for Submission of Applications for Review by the Procurement Council from 45 Days to 90 Days

Date: May 31, 2017

To: New York State Procurement Council Members

From: Staff to the Procurement Council

REQUEST:

New York State Office of General Services, Procurement Services (OGS PS) in its role as staff to the Procurement Council (Procurement Council) is requesting that the following text located on page 14 of the Preferred Source Guidelines, effective October, 2014 be amended to read as follows:

X. ADDING A COMMODITY OR SERVICE TO THE LIST OF PREFERRED SOURCE OFFERINGS

F. Application Lead Times

“...Applications for the addition of commodities or services to the List of Preferred Source Offerings should be received at least ninety ~~forty-five~~ days prior to a scheduled meeting date of the State Procurement Council to receive consideration at that meeting...”

BACKGROUND:

In its role as staff to the Procurement Council, OGS PS coordinates and facilitates all Procurement Council meetings. This includes scheduling the room and all necessary equipment for the meeting, developing the agenda, ensuring that information to be discussed during the meeting is posted on the OGS website in advance of the meeting, scheduling speakers, distributing information about topics to be presented at the meeting, coordinating workgroups, etc.

In addition, OGS PS reviews all Preferred Source applications for compliance with the provisions of State Finance Law (SFL) § 162. This includes review of approximately 150 applications each year, the majority of which are for price updates, product line extensions and services having a value in excess of \$50,000.00. OGS PS also performs an extensive review of all applications to add new commodities and services to the List of Preferred Source Offerings (the List) and subject to a delegation of authority from the Procurement Council, where the price of the new commodity is within 10% of prevailing market prices, the estimated sales value is less

than \$500,000 annually, and Empire State Development (ESD) does not identify any objections from the business community, OGS is able to approve that commodity, rather than presenting it to the Procurement Council for a vote. In those instances, OGS provides a summary report of the new commodity during the quarterly Procurement Council meeting.

If the preferred source application is for a new service or the commodity is not within 10% of prevailing market prices, or the estimated sales value exceeds \$500,000 annually, or ESD has received objections from the business community, OGS is obligated to prepare a detailed summary of the results of the review of the application as well as a recommendation on the application for the Procurement Council Members. Lastly, the OGS PS team also serves as a resource for purchasing agencies in regards to the preferred source program, answering questions from authorized users and preferred source facilitators on an almost daily basis.

Under the current Preferred Source Guidelines, OGS PS has only 45 days to accomplish the necessary review process for a new application; coordinate with ESD on its analysis relative to the impact approval would have on NYS small businesses; gather additional information from purchasing agencies, subject matter experts, the preferred source facilitator(s); and provide a comprehensive and accurate recommendation to the Procurement Council. As various members have noted, OGS PS has been having difficulty providing the recommendations and supporting documentation to the members sufficiently in advance of the meeting for the members to perform their own thoughtful review of the information presented. Therefore, OGS PS is seeking an increase in the amount of time it has to review applications to add new commodities and services to the List from 45 to 90 days. It is believed this additional time will not only enable OGS PS and ESD to perform a complete and thorough review as required by SFL § 162 and the Preferred Source Guidelines, but will also provide sufficient time to share the information well in advance of the Procurement Council meeting so that members have time to ask questions in advance or obtain additional information as needed prior to Procurement Council meeting.

If approved, this change becomes effective immediately. However, if a preferred source facilitator is currently working on an application which it intended to submit to OGS PS for consideration at the September 20, 2017 Procurement Council Meeting, OGS agrees to accept that application up until July 20, 2017.