



MEMORANDUM

To: New York State Procurement Council
From: OGS Preferred Sources Team (as Staff to the New York State Procurement Council)
Date: November 8, 2017
Subject: **NYSPSP Commodity Application for Preferred Source Designation of Alhaponite Belt Equipped Lifesaving Trauma Kit (BELT)**

OVERVIEW

On March 27, 2017, New York State Preferred Source Program for People Who are Blind (“NYSPSP”), in partnership with Alhaponite, located at 3611 14th Avenue, Brooklyn, NY 11218, presented the Office of General Services (“OGS”) and Empire State Development (“ESD”) with an application for preferred source designation of Belt Equipped Lifesaving Trauma Kits specified in the table below.

Preferred Source Item #	Item Description
149.8	Belt Equipped Lifesaving Trauma Kit Kit contains: Belt Carrier, Tactical Mechanical Tourniquet, Celox Hemostatic Gauze, CPR Face Shield, 1 Pair Nitrile Gloves, Chest Seal, 4” Compression Bandage

Blind and visually impaired Alhaponite employees will assemble the BELT Kit carrier by cutting all component materials to specification. They will then sew the Velcro/hook and loop to the appropriate carrier panels; sew binding onto carrier pockets and pouch panels, and attach to outer shell. The assembled carrier is then inspected and trimmed. The blind employees then insert component items into upper and lower pockets of the carrier. The completed BELT Kits are then packed into a box by the blind employees (box is also constructed by the blind employees), which is then labelled, sealed, and palletized for shipment. The addition of Belt Equipped Lifesaving Trauma Kits as an NYSPSP preferred source offering will help ensure the blind and visually impaired workforce at Alhaponite is provided with ongoing, meaningful, long-term employment.

BACKGROUND

The New York State Procurement Council (“Procurement Council”) delegated authority to OGS to approve applications for new commodity and service offerings meeting all the following criteria:

- i. The Preferred Source price must be within 10% of the prevailing market,
- ii. The annual sales volume is less than \$500,000.00, and
- iii. An application review by ESD does not identify any objections from the business community.

Any application that does not meet all the above criteria must be submitted to the full Procurement Council for review and recommendation.

OGS is unable to approve the application under our delegated authority based upon ESD’s determination that the addition of Belt Equipped Lifesaving Trauma Kits as a preferred source offering would negatively impact small businesses in NYS. Therefore, the application is being presented to the Procurement Council for a vote.

LEGAL AUTHORITY

State Finance Law § 162(3)(b) provides that the Procurement Council may recommend the addition of commodities to the List of Preferred Source Offerings 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 commodities to the List, set forth in Section X. D., Application Requirements. Such requirements include, among other things: (i) Commodity Specifications, including a recitation as to how the commodity is new or substantially different from the commodities already offered by the preferred source; (ii) Market Information, including information on the potential market for the new commodity; (iii) Client Employment, including the nature of the tasks workers with disabilities will perform; (iv) Preferred Source, identifying of the specific preferred source member organizations that will provide the commodity; (v) Value Added, identifying the value added by the preferred source client labor to the commodity; (vi) Direct Labor Workforce, identifying the number and hours of direct labor to be performed by people with disabilities, including the percentage of direct labor to be performed by workers with disabilities; (vii) Cost/Benefit Analysis, including a summary of projected costs and benefits expected to accrue to the State and the preferred source, as well as broader social and economic impacts on client employment and government costs; (viii) Cost/Price Data, providing information sufficient for OGS to approve the price data and confirm that the price of each commodity will not exceed 15% above prevailing market price; (ix) Current Suppliers, identifying the current suppliers or contract holders of the proposed commodity, if known; and (x) Preferred Source Suppliers, providing the projected first year value of anticipated contracts, information on any proposed suppliers, and any information as to methods employed in selecting such suppliers.

NYSPSP APPLICATION INFORMATION

1. Commodity Specifications are itemized in the table below:

Preferred Source Item #	Item Description	Quantity Per UOM	UOM	Proposed Price	Unit Price
149.8	Belt Equipped Lifesaving Trauma Kit Kit contains: Belt Carrier, Tactical Mechanical Tourniquet, Celox Hemostatic Gauze, CPR Face Shield, 1 Pair Nitrile Gloves, Chest Seal, 4" Compression Bandage	6	CS	\$373.73	\$62.29

2. **Market Scope**
 NYSPSP estimates first year sales at \$373,727 if purchased by multiple NYS agencies, including but not limited to Military, Law Enforcement, EMS, Corrections, Fire and Rescue. Upon approval, this product will be available as a preferred source offering to purchasers across the state. Market value is expected to increase as new customers are identified.
3. **Client Employment**
 This application presents expanded opportunities for direct visually impaired employment at Alphapointe. A successful application will result in additional work for existing employees and provide Alphapointe with a basis to provide ongoing employment.
4. **Preferred Source**
 NYSPSP has been offering kits to NY state customers for many years. Their affiliate agency, Alphapointe, has continued to serve people who are blind and visually impaired since 1911. They are the third largest single employer of visually impaired individuals in the United States. Alphapointe has added the Tactical line over the past few years to their wide array of products with the addition of the Tactical Mechanical Tourniquet and Tactical Multifunctional Pens.
5. **Value Added**
 - a. Blind and visually impaired Alphapointe employees will assemble the BELT Kit carrier by cutting all component materials to specification. They will then sew the Velcro/hook and loop to the appropriate panels, sew binding onto pockets and pouch panels, and attach to outer shell. The assembled carrier is then inspected and trimmed. The blind employees then insert component items into upper and lower pockets of the carrier. The completed BELT Kits are then packed into a box by the blind employees (also constructed by the blind employees), which is then labelled, sealed, and palletized for shipment. One-hundred percent (100%) of the labor required to produce this item is provided by individuals who are blind or visually impaired.
6. **Direct Labor Workforce**
 - a. Alphapointe is a comprehensive rehabilitation and education agency for people with vision loss, providing outreach, services, employment, and education to over 5,000 individuals a year.

- b. NYSPSP has estimated that annual Belt Equipped Lifesaving Trauma Kits production will require 1,080.30 direct labor hours; all of which will be direct blind/visually impaired labor. The blind/visually impaired labor ratio is 100%.
7. **Cost/Benefit Analysis**
This application presents the opportunity to sustain the ongoing employment of visually impaired workers at Alphapointe. A successful application will result in additional work for existing employees and provide Alphapointe with a basis to provide ongoing employment to individuals who might otherwise be dependent upon public resources to meet their basic needs.
8. **Cost/Price Data**
NYSPSP has provided sufficient information to allow the OGS Preferred Source Team to confirm that the prices proposed are within 10% of NYS Centralized Contract / prevailing market prices. This information is supported by the market comparable data included in the NYSPSP application, #1325-C Belt Equipped Lifesaving Trauma Kits.
9. **Current Suppliers**
OGS Group 38232 Hazardous Incident Response Equipment (Statewide) Award 22872 PC66783 identifies Atlantic Diving Supply, Inc. as a current supplier of Belt Trauma Kits. In addition, Belt Trauma Kits can be purchased through GSA Advantage.
10. **Preferred Source Suppliers**
Beacon Medical, GSI Gerald Schwartz, WBC Industries, Top Value Fabrics, West Mark, Gloves Specialties Inc., Ever Ready First Aid, Alphapointe, and PerSys Medical have been identified as the suppliers for this product line.

STAFF COMMENTS ON THE APPLICATION

OGS, as Staff to the Procurement Council, has reviewed the NYSPSP application and confirmed that the application meets the requirements of State Finance Law and the Preferred Source Guidelines, as set forth above.

The application submitted to OGS by NYSPSP was complete and contained specific product information, comparable pricing, material costs, labor costs, value added labor details, and sufficient information to confirm that the work being performed by blind and visually impaired individuals adds value and will support the long-term employment of 0.5762 FTE's within the visually impaired workforce at Alphapointe.

OGS confirmed that these Belt Equipped Lifesaving Trauma Kits are being assembled by individuals who are blind or visually impaired and that this assembly provides the value-added labor to produce the finished commodity.

Projected annual sales for the NYSPSP Belt Equipped Lifesaving Trauma Kits referenced within this application have been estimated at \$373,727, and the prices proposed are within 10% of NYS Centralized Contract / prevailing market prices. OGS Contract sales data indicates that there are no sales of Belt Trauma Kits off the NYS HIRE contract, Atlantic Diving Supply, Inc., between July of 2015 and June of 2017.

Lastly, OGS has confirmed there are no services included in this application.

ESD REVIEW:

The ESD memo citing potential adverse impact to NYS small businesses is attached.

STAFF FINDINGS:

1. The NYSPSP application submitted to OGS is complete and meets the requirements of the NYS Procurement Bulletin – Preferred Source Guidelines, § X. D.
2. Based on the labor steps described in the application, OGS has determined that the value-added labor (manufacturing, producing, assembling, and repackaging) meets the requirements of Preferred Source Guidelines, § B 1-3.
3. OGS also finds the proposed price is within 10% of the prevailing market price that was identified under OGS Contract PC66783, Atlantic Diving Supply, Inc., Group 38232 Hazardous Incident Response Equipment (Statewide).

4. This application is for one commodity (item). No service offerings are included in this request for approval.
5. Belt Trauma Kits like the item proposed by NYSPSP are available under OGS Centralized Contract. There are no sales on state contract for these items dating back to June of 2015.

Note: The table below provides NYSPSP / Alphapointe product pricing and compares this to OGS Centralized Contract pricing.

Preferred Source Item #	Item Description	Quantity Per UOM	UOM	Proposed Price	Unit Price	OGS Contract Price	OGS Quantity Per UOM	OGS Unit Price
149.8	Belt Equipped Lifesaving Trauma Kits	6	CS	\$373.73	\$62.29	\$112.94	Each	\$112.94

STAFF RECOMMENDATION TO THE PROCUREMENT COUNCIL

The addition of Belt Equipped Lifesaving Trauma Kits will provide purchasers with another preferred source option to meet their purchasing needs and it will provide ongoing employment to 0.5762 FTEs at Alphapointe.

Based upon the foregoing, Staff recommends that the Procurement Council approve NYSPSP application #1325-C and designate preferred source status to NYSPSP/Alphapointe Belt Equipped Lifesaving Trauma Kits.