



July 6, 2018

Mr. Sean Carroll
Chief Procurement Officer, Council Chair
New York State Office of General Services
38th Floor Corning Tower
Albany, NY 12242

Dear Mr. Carroll:

Printing Industries Alliance is the trade association representing printing and print related companies in New York State. Printing plays a significant role in the New York State economy with over 3,000 printing firms located in practically every city, town and village in New York State. These businesses provide well-paying manufacturing jobs to employees who may, in fact, be one of your family, friends, or neighbors. These jobs pay mortgages, put children through college and pay taxes. Printing in New York State is a small business industry with approximately 87% of companies employing under 20 employees.

We are writing to express our opposition to the New York State Industries for the Disabled application, dated April 1, 2016, to become a Preferred Source for Mail Fulfillment. This application was tabled by the Procurement Council in July 2016. The application was un-tabled by the Council on April 18, 2018 and is slated for a vote at your next meeting.

Our industry objections are detailed in the accompanying Position Paper. A summary of our objections is as follows:

- Approval of the NYSID application will result in lost jobs in the already distressed New York State printing industry.
- The negative industry impact resulting from application approval will be felt first and hardest by MBE, WBE and small business printing firms.
- The current NYSID application is requesting the same thing as their 2013 application which was rejected by the Procurement Council and OGS Commissioner RoAnn Destito.
- The 2016 application currently being considered is disingenuous and factually incorrect and the Council is being asked to make a decision based on NYSID's erroneous information.
- The application seeks to control a \$150 million segment of the digital printing market.
- The NYS printing industry already employs significant numbers of employees from the disabled community. Ironically, these jobs are among those threatened should the application be approved.
- Application approval will mean increased costs to the New York State taxpayer and decreased revenue to New York State coffers.
- Advancing industry technology will make it impossible to efficiently monitor the preferred source work being requested by NYSID if this application is approved.

PIA Headquarters
636 North French Road, Suite 1
Amherst, NY 14228
tel: 716-691-3211 or 800-777-4742
fax: 716-691-4249

NY/NJ Metro Office
195 Prospect Park West
Suite 1A
Brooklyn, NY 11215
cell: 203-912-0804

LI Office
3951 New York Avenue
Seaford, NY 11783
cell: 516-528-4747

www.PIAAlliance.org | info@PIAlliance.org

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- NYSID partner Center for Disability Services (CFDS) invested in a substantial amount of expensive printing equipment before the NYSID application was even submitted to the Council. CFDS is also engaged in selling on the private sector printing market in addition to their aim at becoming a preferred source digital printing/mail fulfillment party. We believe this to be a conflict of interest.

If this application is approved in any form, we expect there to be significant amounts of lost business, initially in the Albany area. The first wave of lost business will go to the production facility housed at the Center for Disability Services. The CFDS has significant production capability and a sales force that is already out in the marketplace. Over the next 18 months, we would expect the lost business to expand geographically as more NYSID members come online to produce this work. The overall impact of the lost business is, of course, closed companies and lost jobs!

Our industry believes in and supports the concept of providing employment opportunities for disabled New Yorkers but not at the expense of another New Yorker's livelihood. The actions of NYSID in submission of deceitful applications, refusal to acknowledge significant problems in their program, and a series of scandals involving NYSID contractors have, in our estimation, tainted the New York State Preferred Source program. As such, we are requesting that the New York State Procurement Council reject the NYSID Mail Fulfillment application, and any compromise being considered. Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Timothy Freeman', with a long horizontal flourish extending to the right.

Timothy Freeman
President

cc: Ms. RoAnn Destito, Commissioner NYS Office of General Services
NYS Procurement Council Members
Interested Parties