

**Minutes of the Meeting**  
**New York State Procurement Council**  
**September 27, 2012 - 11:00 A.M. Meeting Room 6**  
**North Concourse**  
**Empire State Plaza**  
**Albany, NY**

**I. Call to Order**

John Traylor, Chief Procurement Officer for the New York State Office of General Services, called the meeting to order and thanked everyone for attending.

Mr. Traylor thanked Anne Phillips, OGS Deputy Counsel & Director of Legislative Affairs, for her service in the past few years as acting chair of the Procurement Council. Ms. Phillips' wisdom and guidance on both legal and policy matters have been invaluable, and OGS looks forward to her continuing legislative updates and guidance.

Mr. Traylor introduced new members to the Procurement Council. James Bays is the newly designated voting member representing the NYS Department of Agriculture & Markets (A&M). Andrew Bechard also joins the Council as a voting member representing the NYS Office of Information Technology Services (ITS), formerly the Office for Technology (OFT). This position was previously held by Mary McGinty who has now joined Mr. Traylor's staff.

**II. Minutes of Meetings**

Mr. Traylor asked Council members for additions or corrections to the draft minutes from the February 16, 2012 meeting. With no changes offered, a motion to adopt the draft minutes was made, seconded and passed unanimously.

**III. Strategic Sourcing**

Mr. Traylor advised that he came to OGS to take the position of Chief Procurement Officer (CPO) in May of this year as part of an enterprise-wide initiative to consolidate administrative operations in New York State to OGS. OGS is in the midst of working very hard to reorganize OGS operations in procurement including the creation of a designated team to work specifically with authorized users identified as local governments and non-profits. These entities represent a significant portion of spending against many centralized contracts currently in place. Don Greene and Bruce Hallenbeck will be heading up that unit.

OGS also has designated teams dedicated to continuing the strategic sourcing efforts that apply data driven analytical techniques in the development of centralized contracts. The Governor and Division of Budget (DOB) have provided additional resources to get this group off the ground. OGS is presently working with the Department of Civil Service (DCS) and DOB to move forward with adding staffing in these areas. OGS is anxious to work with the Procurement Council leadership and state agencies to accomplish these goals in the months ahead. A more formal presentation will be made to the Council once staffing plans are in place in order to assist the membership in associating names and faces with the new leadership in OGS.

**IV. 2012-2013 Legislative Sessions Summary**

Ms. Phillips advised that the Procurement Stewardship Act has been extended for four years. When the Procurement Stewardship Act was signed in June of 1995; there was a dividing line between contracts for commodities and contracts for services/technology wherein a different list of authorized users existed for the two contract types. OGS has been trying to merge this list since 1995. The passage of §163(1) (k) State Finance Law has eliminated that dividing line. This session has also revised § 3 - State Printing and Public Documents Law, making printing the functional equivalent of purchasing commodities; pricing of printing will continue to be done based on low price but is now subject to the same statutory provisions set forth for the procurement of commodities. Some of these items require implementation measures, work is in progress. OGS expects to have more information available by next meeting.

**Iran Divestment Act:** With the implementation of the Iran Divestment Act companies are prohibited from signing or renewing state or local government contracts if they provide goods, services, or credit worth \$20 million or more to Iran's energy sector. OGS has been tasked with developing a list of businesses impacted by this legislation. This list has been developed and posted on the OGS website; none of the firms on this list currently holds a state contract. State agencies, SUNY, local governments, et al are precluded from awarding contracts to these entities. This legislation follows action by the Federal Government and the State of California. Any question on this topic should be referred to Ms. Phillips.

**V. Preferred Source Recommendations under OGS Standing Authority**

Under the delegated authority provided by the Procurement Council for preferred source, OGS has approved three applications since the February 2012 meeting, all of which are under \$50,000 each. This equates to approximately 1.2 disabled FTE's, with a total dollar value estimated at approximately \$137,000. These include a New Balance 410W Cross Trainer Sneaker, a Women's and Men's Leather Hi-Top Velcro sneaker and a jacket normally used by road crews.

**VI. Kudos to Council for Procurement Guidelines**

The State of Nebraska contacted OGS and asked if they could use the Procurement Guidelines as a model for guidelines in their own state. Don Greene, Director of Local Government Procurement in OGS, advised that OGS often receives inquiries from other states in affiliation with NASPO and we were pleased to share the good work that came out of the Procurement Council's efforts.

**VII. Preferred Source Guidelines Update**

At the November 2011 meeting, the Council created a subcommittee to address issues raised by Empire State Development (ESD) with regard to value added as it applies to preferred source offerings. Michael Hurt, Department of Corrections & Community Supervision (DOCCS) provided an update.

David Russo, Director of Consolidated Business Office at the Office of Mental Health (OMH) has a number of contracts with Preferred Sources that utilize subcontractors or partners to provide service. OMH would like to identify them as MWBE firms to help meet their MWBE requirements. While presently not allowed under law, he asked if that could be reviewed.

Ron Romano, President & CEO of the NYS Industries for the Disabled (NYSID) stated that the legislation promulgated two years ago by then Governor Patterson provides new information with regard to MWBE's, specifically that MWBE's partnering on preferred source contracts, may be used by agencies in the fulfillment of their MWBE goals. NYSID typically tries to partner with certified MWBE's. Mr. Romano will try to find that language.

The subcommittee plans to have the final version of the guidelines distributed in advance of the November meeting in order to take action at that meeting

**VIII. Statewide Financial System (SFS) Update**

The SFS went live in April of this year. SFS is a statewide enterprise financial system which provides end-to-end functionality for agencies. Alison Pingelski, Enterprise Architect for SFS provided the report on the SFS. Ms. Pingelski advised that her present role with SFS is to look at stakeholders needs that are not being met as anticipated with SFS and to develop strategic solutions to optimize what the SFS application offers. The presentation included a review of the overall system launch and business process information. A graphic was provided to illustrate how these modules function; this graphic is available on the OGS website at the Procurement Law and Guidelines page under Meeting Minutes.

SFS is attempting to correct defects, some of which include addressing challenges with transactions getting "stuck" in the system. The State average to complete the payment process has been eight days.

Several questions were raised by Council members. Ms. Pingelski advised that SFS is very serious about customer services and advised that she would take the information back to SFS staff with the hope of improving this process.

Mr. Traylor stated that OGS, as part of its enterprise initiative, was asked to create a statewide Business Service Center (BSC), scheduled to “go live” September 27, 2012 for 22 agencies. The BSC would not be possible without the creation of SFS, as the latter provides the platform allowing BSC to provide this administrative support. This topic will be revisited for a future meeting agenda to check on status.

**IX. New Business**

Statewide MWBE Forum (2<sup>nd</sup> Annual): The Governor’s Office is hosting its annual NYS MWBE Forum at the Empire State Plaza October 25th, 26th, and 27th. More information is being sent to state agencies and authorized users as well as MWBE and Small Business Members regarding this event. Jeremy Attie, Senior Policy Analyst representing the Office of Deputy Secretary for Civil Rights represented Yrthya Dinzey-Flores, Chief Diversity Officer. Mr. Attie advised that the registration fee for this event will be \$75, a significant reduction from last years’ fee of \$375. Additional information on this event may be found at [www.nysmwebforum.org/meet\\_government.php](http://www.nysmwebforum.org/meet_government.php).

Hourly Based IT Services (HBITS) Status: Information regarding the implementation of the new contract processes has been communicated to agency CIO’s and OGS is building a portal to manage the workflow process. OGS is working on internal business processes to roll out training for agency information technology (IT) and finance staff with respect to the utilization of the HBITS contract and billing, which will be handled centrally in OGS.

NYSID celebrates employee success as part of the Preferred Source program and Ron Romano shared copies of the Jocelyn Award program recipients from the NYSID Annual Meeting.

NYS Purchasing Forum: Commissioner Destito is interested in reinvigorating this event for 2013, and OGS is exploring topics for the 2013 event, which is tentatively scheduled for next May.

There being no additional business to discuss a motion was made to adjourn. This motion was seconded and unanimously approved. The meeting adjourned at 12:25 p.m.

The next meeting of the Procurement Council is tentatively scheduled for November 14, 2012. An agenda will be circulated in advance of the meeting.

**Members in Attendance on September 27, 2012**

Margaret Becker - OSC	Thomas Hippchen – SUNY
James Bays - Ag & Mkts	Michael Hurt – DOCCS
Andrew Bechard - ITS	Gerard Minot-Scheurmann – DOB
Nancy Fisher - ESD	David Russo – OMH
Robert Coyner - OPWDD	John Traylor – OGS
Frederick Genier - DOH	

**At-Large Members in Attendance on September 27, 2012**

James Haggerty – (NYSCVO)	Richard St. Paul – (Local Government Representative)
Richard Healey - (IBNYS)	Ronald Romano – (NYSID)

**Members Absent**

Yrthya Dinzey-Flores – Chief Diversity Officer

**At Large Members Absent:**

Edul Ahmad – (The Ahmad Group)  
Rashida Mendes – (RM Capital LLC)  
Gregory Weston – (Pillsbury, Winthrop, Shaw, Pittman, LLP)

**Also in Attendance**

Don Greene – OGS  
Anne Phillips – OGS  
Jeremy Attie – (Office of Deputy Secretary for Civil Rights)

**NYS PROCUREMENT COUNCIL  
VOTING RECORD**

**Meeting Date:**

September 27, 2012

**Question, Motion, or Issue:**

Meeting Minutes – February 16, 2012

MEMBER	VOTE			
	AYE	NAY	ABSTAIN	ABSENT
<b>Commissioner of General Services</b> John Traylor (Anne G. Phillips) (Don Greene)				
<b>Chief Diversity Officer</b> Yrthya A. Dinzey-Flores				x
<b>Office of the State Comptroller</b> Margaret Becker (Charlotte Breeyear)	x			
<b>Director of the Budget</b> Susan Knapp (Gerard Minot-Shermann)	x			
<b>Commissioner of Economic Development</b> Steven Cohen (Nancy Fisher)	x			
<b>AGENCY REPRESENTATIVES</b>				
James Bays – Ag & Mkts (Lucy Roberson) (Carol Casale)	x			
Michael Hurt – DOCCS (Michael Elmendorf)	x			
Thomas Hippchen – SUNY (Kellie Depuis)	x			
John Smith – OPWDD (Robert Coyner)	x			
Marybeth Hefner – DOH (Frederick J. Genier)	x			
Andrew Bechard – ITS (Valerie VanderWal)	x			
David Russo – OMH (David Milstein)	x			
<b>At-Large Members</b>				
James Haggerty	x			
Richard Healey	x			
Rashida Mendes				x
Richard St. Paul	x			
Gregory Weston				x