



NY GovBuy

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Office of
General Services

Preferred Source Buying Strategies

Know the rules and how to apply them



May 2 & 3, 2018

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Preferred Source Purchasing

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Presenters

John Normile

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Who is required to buy Preferred Source products and services?

- State agencies
- Public benefit corporations
- Public authorities
- Municipalities
- School districts

You are required **by law** to make the Preferred Sources your **first** stop when shopping for goods and services.





Why am I required to buy Preferred Source products and services?

NYS Finance Law requires it.

- Purchases from preferred sources take precedence over all other sources of supply and competitive procurement methods
- Under the Law, the acquisition of commodities or services from preferred sources is exempted from statutory competitive procurement requirements



When am I required to buy Preferred Source products and services?

The law requires that **if** an approved Preferred Source offering meets your requirements for **form, function, and utility**; and the price is within 15% of the prevailing market for NYSID and NYSPSP or at or below fair market price for Corcraft, you are required to purchase from the Preferred Source.

Think of **form, function, and utility** in basic terms:

- Form:** Shape, color, configuration, construction
- Function:** Purpose, capacity to work in a particular way
- Utility:** Usefulness, availability, functionality



The 4 P's

→ Preference

→ Priority

→ Purchasing Precedence

→ Prevaling Market



P1: Preference (Preferred Source Status) Has Been Granted to The Following Entities



Commodities produced by the Department of Corrections and Community Supervision, Division of Correctional Industries.



Commodities and Services produced by qualified, non-profit organization for the blind and approved by the Commissioner of Office of Children and Family Services.



Commodities and Services produced by any qualified, non-profit organization for severely disabled persons and approved by the Commissioner of Education.

Please note:

Corcraft, NYSPSP, and NYSID also offer goods and services that do not have preferred source status. These products and services are subject to all statutory requirements for open market procurement. Their catalogs will identify approved products.



P2: Priority

Purchases from Preferred Sources take priority over all other sources of supply and competitive procurement methods

- The purchase of commodities and services by state agencies must be conducted in a manner which “**accords first priority to Preferred Sources**, second priority to centralized contracts, third priority to agency or multi-agency established contracts, and fourth priority to other means of contracting”

Learn more about NYS Finance Law at:

<http://codes.findlaw.com/ny/state-finance-law/stf-sect-163.html>





Preferred Source purchasing requirements have priority over MWBE & SDVOB goals

- Preferred Source payments to a **Corporate Partner that is an MWBE** may be applied towards MWBE goals
- Preferred Source payments to a **Corporate Partner that is an SDVOB** may be applied towards SDVOB goals



P3: Purchasing Order of Precedence

When Preferred Source commodities or services are available in the form, function and utility required by a purchaser, and the price is within 15% of prevailing market, as determined by OGS, they must be obtained from the Preferred Sources in the following order:

Commodities (Goods)

1. CORCRAFT
2. NYSPSP
3. NYSID

Services

- NYSPSP and NYSID have equal priority
- If more than one Preferred Source meets your requirements, cost shall be the determining factor



P4: Prevailing Market and Price

Approved Preferred Source commodity and service offerings from NYSID and NYSPSP must be within 15% of the prevailing market.

Prevailing Market (aka “Fair Market”) can be determined from the following:

1. OGS centralized contracts
2. Active state agency, school, or local government contracts
3. Other state or cooperative purchasing contracts
4. Federal contracts or open market information



The 4 P's - Review

P1: Preference: To advance specific social and economic goals, certain providers have “preferred source” status under the law

P2: Priority: Purchases from preferred sources take priority over all other sources of supply and competitive procurement methods

- If the preferred source offering meets your form, function, and utility requirements and the price is within 15% of prevailing market
- Preferred Source purchasing requirements also have priority over MWBE and SDVOB goals

P3: Purchasing Precedence: Approved commodities (goods) must be purchased from the Preferred Sources in the following order: 1. CORCRAFT 2. NYSPSP 3. NYSID

P4: Prevailing Market: (aka “Fair Market”) price can be determined by checking OGS centralized contracts; active state agency, school, or local government contracts; other state and cooperative purchasing contracts; GSA and open market



How to Buy From Preferred Sources

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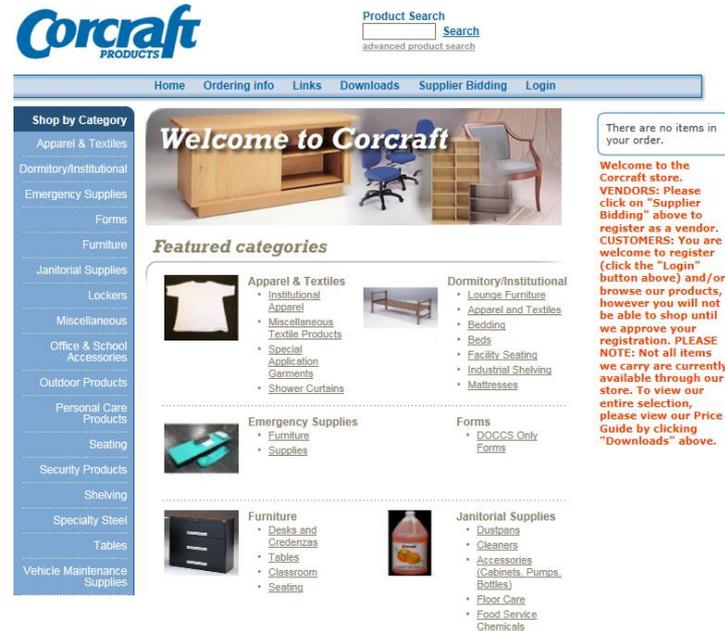


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Buy Corcraft Products on-line www.Corcraft.org

Preferred Source offerings include:

- Cafeteria, classroom, dormitory and office furniture
- File and storage cabinets
- Library tables and seating
- Highway signage
- Janitorial and cleaning supplies
- Work wear and apparel



NYS Vendor ID #042000082 | 1-800-436-6321





Buy NYSPSP Products on-line www.nyspsp.org

Preferred Source Offerings Include:

- Drug test and overdose kits
- First aid supplies
- Gloves and work wear
- Incontinence and medical supplies
- Janitorial and cleaning supplies
- Office supplies and lighting

Home | Log In | Create An Account | Shopping Cart | 0 Item(s) | \$0.00

Search All Products

NYSPSP

NEW YORK STATE PREFERRED SOURCE PROGRAM FOR PEOPLE WHO ARE BLIND

Welcome to the NYSPSP.org Website!

Products | Services | FAQs | Price List | Catalog PDF | QUESTIONS? 1-800-421-9010

Product Categories

- Cleaning Supplies >
- Office Supplies >
- Medical Supplies >
- Safety Supplies >
- School Supplies >
- Toner Cartridges >
- Food Service >
- Footwear >
- Gloves >
- Flags >
- EO4 >

Feature Items

Safety Supplies

Medical Supplies

Toner Cartridges

When you purchase products and services through the New York State Preferred Source Program for people who are blind, you are helping employ hundreds of New Yorkers who are blind or visually impaired. As you browse through our selection of quality, competitively priced products and services, imagine the difference you can make by sourcing through the New York State Preferred Source Program for people who are blind.

NYS Vendor ID #1100070977 | 1-800-421-9010



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NYSPSP Services

Services Include:

- Call Center
- Data Imaging
- Document Destruction
- Mailroom and distribution
- Transcription
- Warehousing and distribution



NYS Vendor ID #1100070977 | 1-800-421-9010 | www.nyspsp.org



NYSID Services

Approved Service Offerings Include:

- Data imaging and document destruction
- Janitorial
- Grounds Keeping
- Mailroom and distribution
- Temporary Warehouse Personnel

NYSID
Preferred Source Solutions

1-800-221-5994

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Business Support Expertise, Four Decades Strong

We Make You Look Good.

- High standard, Pride in performance
- Tailored for your specific needs
- Economic choice for state and local government agencies
- Servicing NYS for 40+ years with pride and excellence
- Committed workers, superior performance
- Unique services with no bidding, save time and money

For more information about a NYSID service
Click Here To Contact a Regional NYSID Account Representative

Document Imaging

- HIPAA and SOX compliant
- Evolving with technology since 1987
- Scanning, storage and retrieval through OCR technology
- Data imaging, microfilm conversion, microfiche conversion, CD replication

Data Entry

- Any data, any size any format
- Handwritten or typed
- Experienced providers delivering skilled services

Grounds Maintenance

- Gardens, parks, ball fields, roadsides, group homes, campuses, office properties

NYSID RESOURCES

- View Our Story
- Annual Reports
- Training & Info Program (TIP)

Find Member Agencies

2016 Annual Meeting
NYSID
Preferred Source Solutions
#EmploymentEmpowers

JOSLIN AWARDS PROGRAM

NYS Vendor ID #1000001252 | 1-800-221-5994



eMarketplace – One Stop Shopping

The eMarketplace is a quick and easy way to buy items from **Preferred Sources** or OGS centralized contracts!

The screenshot displays the Perfect Commerce eMarketplace interface. At the top, the 'PERFECT COMMERCE' logo is visible. Below it, a navigation bar includes 'Procure' and 'Search Manager', 'Favorite Items', and 'View Requisition'. The main content area features the 'NEW YORK STATE OF OPPORTUNITY. Office of General Services eMarketplace' logo. A search bar contains the text 'preferred source' and has buttons for 'Search', 'View All Catalogs', and 'Advanced Search'. Below the search bar, there is a 'Supplier' list with three entries: 'Corcraft (97)', 'NYS Preferred Source f... (1426)', and 'NYSID (600)'. To the right of the supplier list is a 'Compare Products' button and a pagination control showing '1 2 3 4 5 6 7 8 9 10 .. 213 >'. At the bottom of the page, there are buttons for 'All', 'Preview', 'Item Description', and 'Lead T'.

<https://nyspro.ogs.ny.gov/content/nys-emarketplace-1>



Roles & Responsibilities

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Facilitators



Preferred Source Facilitating Entities

- Serve as a single point of contact between you (the purchaser), the member organization (supplier) who will provide the goods and services, and the regulatory agencies who ensure statutory compliance (DOCCS, ESD, OGS, OSC, SED, and OCFS)
- Are the contractor of record for all service contracts and purchase orders for approved offerings
- Facilitate transactions by providing administrative, billing, contracting and marketing services

Member Organizations

Employ disabled, blind, and visually impaired people



The NYS Procurement Council

Responsibilities include:

- The study, analysis and development of recommendations to improve state procurement policy and practices
- The development and issuance of guidelines governing state agency procurement, including
 - Appendix A - Standard Clauses for NY State Contracts
 - NYS Procurement Guidelines
 - NYS Contract Reporter
 - Preferred Source Guidelines
- Quarterly public meetings--all are welcome to attend

NYS Procurement Council | <https://ogs.ny.gov/BU/PC/SPC.asp>



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OGS as Staff to NYS Procurement Council

- OGS has been designated to serve as staff to the Procurement Council
- The Council granted OGS standing authority to act on their behalf for applications for new Preferred Source offerings where:
 - Price is within 10% of prevailing market, and
 - Value is less than \$500,000 (annually), and
 - ESD has no objections from the NYS business community

OGS PS Preferred Source Team | OGS.sm.PS_CM_PREFERREDSource@ogs.ny.gov

OGS Preferred Source Team

- Interface with Preferred Sources, Procurement Council, ESD and purchasers to ensure compliance with State Finance Law and Preferred Source Guidelines
- Review and approve applications for new products, and product price revisions, and applications for new service offerings and service contracts
 - Confirm the reasonable cost of required labor, materials and overhead to be incurred under efficient methods of procurement
 - Confirm that price is within 15% of prevailing market
 - Confirm that the application references an approved Preferred Source offering if your not seeking approval for a new service offering
 - Confirm that disabled labor ratios meet statutory requirements



Purchasers

Approved Preferred Source Services:

- Define scope (form, function, and utility)
- Create project timeline, budget, etc.
- Determine if the definition of an approved Preferred Source offering meets your form, function, and utility requirement
- Contact the approved facilitator(s) and if they are interested send the scope of work
 - If they are not interested, or don't respond, make a note in your procurement record, and move on
- Review the proposal to determine if your form, function, and utility (scope) requirements have been met
- Negotiate price
- Contract with the lowest priced approved facilitator meeting your requirements





Purchasers

Approved Preferred Source Products:

- Define minimum requirements (form, function, and utility)
- Confirm the item is an approved offering
- Be mindful of Preferred Source priority and buy from Corcraft, NYSPSP or NYSID in that order
- Visit the eMarketplace, or facilitator website
- Review product specifications to ensure it meets your form, function, and utility requirements
- Negotiate price
- Make your purchase

NEW! Electronic Service Application - ESA

Required for all proposed Preferred Source Services Applications with a value exceeding \$50,000

4 Forms plus attachments

- Form 1 -- Statement of Work
- Form 2 -- Preferred Source Facilitating Entity Service Application
- Form 3 -- Preferred Source Cost Summary
- Form 4 -- Purchasing Agency Approval
- Attachments -- Application Letter to OGS & Market Comparison (Mandatory), ACCES-VR/Prevailing Wage/Prior Contract Approval Letter (If Applicable)



NEW! Electronic Service Application - ESA

Process

- The Purchasing Agency fills out Form 1 and sends it the Preferred Source Facilitating Entity
- The Preferred Source Facilitating Entity fills out Forms 2, and 3, and submits them to the Purchasing Agency with all applicable attachments
- The Purchasing Agency will review all forms and attachments
- The Purchasing Agency completes Form 4 and returns all forms and attachments back to the Preferred Source Facilitating Entity
- The Preferred Source Facilitating Entity will submit all required Service Application documents to OGS

The Overview, forms and How To Use Guide are online



Find More Information Online

- Buying from a Preferred Source | www.nyspro.ogs.ny.gov/content/buying-preferred-source-0
- List of Preferred Source Offerings | www.ogs.ny.gov/procurecounc/pdfdoc/pslist.pdf
- Preferred Source Guidelines | www.ogs.ny.gov/procurecounc/pdfdoc/psguide.pdf
- NYS Finance Law | <http://public.leginfo.state.ny.us/lawssrch.cgi?NVLWO>
- NYS Procurement Guidelines | www.ogs.ny.gov/bu/pc/Docs/Guidelines.pdf
- NYS Procurement Council | <http://ogs.ny.gov/BU/PC/SPC.asp>
- OGS BSC Purchasing | <https://bsc.ogs.ny.gov>

Questions

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