



General Information Bulletin

Subject: Preferred Source Program Announcement

DATE: February 7, 2023

CL #: 624-2023-02

DESCRIPTION: Amendments to the Preferred Source Statute, State Finance Law § 162

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TO ALL STATE AGENCIES, PUBLIC AUTHORITIES, COMMISSIONS, PUBLIC BENEFIT CORPORATIONS OR POLITICAL SUBDIVISIONS OF THE STATE OF NEW YORK:

On October 4, 2022, Governor Hochul signed into law Chapter 565 of the Laws of 2022, which amended provisions of State Finance Law § 162 with respect to Preferred Sources. The following updates to the Preferred Source statute are effective immediately:

1. Preferred Source contracts (other than with Corcraft) now require that 50% or more of the direct labor be performed by employees who are blind, disabled, visually impaired, or a qualified veteran, as applicable. For private vendors partnered with a Preferred Source, a majority of the direct labor is still required. The direct labor ratios contained in the current Preferred Source Guidelines (which required direct labor ratios of at least 75%) will no longer apply. OGS Procurement Services has updated the Preferred Source Form 3 Service Cost Summary to reflect these changes ([Preferred Source Form 3](#));
2. OGS price review and approval will not be required for purchases of services from a Preferred Source if the purchase price is below \$100,000. Previously, OGS price review and approval was required for service contracts with Preferred Sources if the purchase price was more than \$50,000. This change does not affect the thresholds for approval by the Office of the State Comptroller pursuant to State Finance Law § 112;
3. Certain provisions were updated and modernized, and other technical amendments were made, including revision of outdated terminology and formalizing the process for private vendors to partner with a Preferred Source and be accorded Preferred Source status.

OGS remains committed to the Preferred Source program. We look forward to continued cooperation to ensure opportunities are provided to individuals who are disabled, blind or a qualified veteran in compliance with State Finance Law. If you have any questions, please contact the OGS Preferred Sources Team.