



MEMORANDUM

To: New York State Procurement Council
From: OGS Preferred Sources Team (as Staff to the New York State Procurement Council)
Date: December 13, 2024
Subject: **OGS Application 2513-C: NYSID Commodity Application for Preferred Source Designation of AB Series Rescue Boat, Trailer & Motor Package-Includes: 14' Inflatable Boat, Trailer & 30 HP Motor with Rescue Pump Jet G7570**

OVERVIEW

New York State Industries for the Disabled (“NYSID”), in partnership with Arc Herkimer/Herkimer Industries has submitted an application to the Office of General Services (“OGS”) and Empire State Development (“ESD”) for preferred source designation of AB Series Rescue Boat, Trailer & Motor Package-Includes: 14' Inflatable Boat, Trailer & 30 HP Motor with Rescue Pump Jet G7570 (“AB Series Rescue Boat Package”). The AB Series Rescue Boat Package is sold by the each and will be available for purchase by all State, local and municipal agencies.

BACKGROUND

The New York State Procurement Council (“Procurement Council”) delegated authority to OGS to approve applications for new commodity and service offerings meeting all of 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 of the above criteria must be submitted to the full Procurement Council for review and recommendation.

On July 12, 2024, and revised on September 20, and October 25, 2024, NYSID submitted the present application to add the AB Series Rescue Boat Package to OGS acting as staff to the Procurement Council and ESD along with applications 2514-C & 2515-C for similar boat packages. The total estimated annual sales for the three boat packages exceed \$500,000, and because they are similar and under the same product line, OGS determined that the applications cannot be approved under our delegated authority and therefore must be presented to the Procurement Council for a vote at the February 5, 2025 meeting. NYSID anticipates that the addition of the AB Series Rescue Boat Package in this application will result in purchase of up to nine boats per year (based on \$268,355.37 in annual sales), requiring approximately 366 direct labor hours of production resulting in an additional total of .187 Full Time Equivalents (“FTEs”), of which .156 FTEs are individuals with disabilities.

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 (the “List”) 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 6.4 Application Requirements. Such requirements include, among other things: (1) commodity specifications, including a recitation as to how the commodity is new or substantially different from the commodities already offered by the preferred source; (2) market information, including information on the potential market for the new commodity; (3) client employment, including the nature of the tasks workers with disabilities will perform; (4) preferred source, identifying of the specific preferred source member organizations that will provide the commodity; (5) value added, identifying the value added by the preferred source client labor to the commodity; (6) 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; (7) cost/benefit analysis, including a summary of projected costs and benefits expected to accrue to the State and the preferred source, as well any broader social and economic impacts on client employment and government costs; (8) 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; (9) current suppliers, identifying the current suppliers or contract holders of the proposed commodity, if known; and (10) 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.

NYSID APPLICATION INFORMATION

1. Commodity Specifications

During the development of the Custom Swift Water Rescue Kit (OGS Project 2376-C) with the NYS Police and NYSDEC, the concept of packaging universal rescue boat packages was born. The purpose of NYSID's three (3) boat packages is to incorporate as many agencies requested features into fewer boat selections with the goal of reducing costs to the various agencies requiring the rescue boats, while at the same time providing high-quality rescue equipment.

2. Market Scope: NYSID estimates first year sales at \$268,355.97. After discussions with NYS Police, NYS Park Police and NYS Fire, NYSID estimated that they could sell up to nine G7570-AB Series Rescue Boat Packages statewide for \$29,817.33 per unit in the first year.

NYSID's application indicated that due to the ever-increasing level of flooding associated with severe weather, various agencies are interested in acquiring this product as soon as possible.

3. Client Employment

Arc Herkimer provides this unique employment opportunity to five members of its highly trained workforce. The clients have an opportunity to work on all three components of this commodity: the boat, the trailer, and the motor. With 83.33% of the work hours provided by disabled individuals, this commodity provides a special opportunity to apply training working on a multi-faceted project.

4. Preferred Source

Arc Herkimer programming started in 1969 with a summer camp, where 20 children and teens were enrolled.

Thanks to dedicated board members, staff, volunteers, and the generosity of the community, Arc Herkimer has grown from a group of loving parents looking for programs for their children, to supporting over 600 people with disabilities annually through meaningful first-class services.

In keeping with the agency's goal of building community, Arc Herkimer has been and continues to be the premier provider of innovative and quality services for people with disabilities in Herkimer County. Arc Herkimer's seven different divisions work together to support the agency's mission of empowering people with disabilities and enriching lives throughout our community.

Herkimer Industries is the vocational division of Arc Herkimer.

With a workforce of over 100 people, Arc Herkimer/Herkimer Industries is a preferred source as a member of NYSID.

Arc Herkimer/Herkimer Industries offers contract packaging services, in addition to products like personal protective equipment, tactical apparel, LED lighting, and STOP THE BLEED® kits.

Arc Herkimer/Herkimer Industries has four different locations in Herkimer County, New York, with over 250,000 square feet of warehouse space, and is located just off the NYS Thruway with access to all major Northeast distribution routes. Shipping through major carriers like UPS, USPS, FedEx, LTL, and TL, is available, as well as local deliveries.

Additionally, Arc Herkimer/Herkimer Industries is proud to be a STOP THE BLEED® partner, a GSA contract holder, a member of the Contract Packaging Association, FDA registered for medical devices, and SQF (Safe Quality Food) certified. Arc Herkimer/Herkimer Industries is uniquely qualified to provide the final assembly of this product, which is outlined in our Labor Steps. This product has the same type of assembly steps used in G7541- Oil Spill Response Trailer and D4772-LED Sign, as well as numerous safety kits. Arc Herkimer/Herkimer Industries has a trained workforce adept at step-by-step product assembly, which encompass the core labor steps for this product.

5. **Value Added**

The added value in bringing this product to market using our disabled workforce include the following tasks:

LABOR STEPS

Boats

- Inspect Boat
- Inflate Boat - Shop Vac Inflate Boat - Pump

Trailers

- Inspect Trailer
- Torque Lug Nuts
- Set Up & Tighten Bunk brackets Tune post & winch
- Mount Spare Tire
- Add Decals
- Marry Boat & Trailer Tune to fit properly Verify nuts tightened

Motors

- Unpack Motor
- Lift upright
- Mount to Center of Transom
- Perform PDI (Pre-Delivery Inspection)
- Add zip ties to hand bolts
- Tie motor to transom
- Add decals
- Secure back transom eyebolts to the trailer

6. **Direct Labor Workforce**

NYSID has estimated that annual sales of this AB Series Rescue Boat Package will generate 366 direct labor hours/.187 FTEs; 305 of which will be direct disabled labor/.156 FTEs. The disabled labor ratio is expected to be 83.33%.

7. **Cost/Benefit Analysis**

The application states the commodity will provide the State of New York with multiple benefits and that the product is priced competitively when compared to the retail price of the commodity.

This application will provide employment to 5 full-time disabled employees.

8. **Cost/Price Data**

NYSID has put forth pricing from their supplier as the source of the market comp. The chart on Page 14 of the application compares the NYSID price from All Hands and the retail price. The application asserts that comparing the same products is the best way to obtain a fair and accurate market comp.

9. **Current Suppliers**

This commodity is not currently being supplied to the State of New York under NYS contract.

10. **Preferred Source Suppliers**

NYSID anticipates first year sales of \$268,355.94.

All Hands Fire Equipment, LLC is the supplier providing this commodity to NYSID.

All Hands Fire Equipment, LLC 7 Third Avenue
Neptune City, NJ 07753

All Hands Fire Equipment is the supplier of multi-products sold under contract by NYSID. Based on our on-going business relationship, the quality of the products sold by All Hands, the exceptional customer service provided to us by all-Hands, we determined that given the nature of this product, public safety, we know that All Hands will continue to provide outstanding products and that should continue our time- tested relationship with All Hands.

STAFF COMMENTS ON THE APPLICATION

OGS, as Staff to the Procurement Council, has reviewed the NYSID 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 NYSID was complete and contained specific product information, comparable pricing, material costs, labor cost, value added labor details, and sufficient information to confirm that the work being performed by individuals with disabilities adds value and will support the long-term employment of 0.156 FTEs within the disabled workforce at Arc Herkimer/Herkimer Industries.

NYSID estimated annual sales for this AB Series Rescue Boat Package to be \$268,355.94. OGS confirmed that the same or equivalent boat packages are not available on OGS Centralized Contracts but did reach out to prospective NYSID customers such as the NYS Police, NYS Park Police, and the NYS Division of Homeland Security & Emergency Services to confirm that the boats meet their form, function, and utility requirements and potential purchase quantities. Based on the information in NYSID's application and the information received from potential customers, OGS finds the NYSID estimate to be reasonable.

OGS reviewed the NYSID submitted market comparable pricing information in their application, along with supplemental pricing information provided upon OGS request by NYSID and their supplier for AB boats and accessories pricing available on the State of New Jersey and General Services Administration, and pricing information provided by the NYS Police for equivalent AB Boats that they previously purchased in making our determination of prevailing market price and statutory price compliance. OGS confirms that the proposed price is within 15% of prevailing market price and is statutorily compliant.

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

ESD Review:

As of December 13, 2025, OGS has not received ESD's recommendation regarding this application.

STAFF FINDINGS:

1. The NYSID application submitted to OGS and ESD is complete and meets the requirements of the NYS Procurement Bulletin – Preferred Source Guidelines, §6.4.
2. Based on the labor steps described in the application, OGS has determined that the value-added labor and direct labor workforce meet the requirements of Preferred Source Guidelines, §6.4.5 & §6.4.6.
3. OGS also finds the proposed price is within 15% of prevailing market price.
4. This application is for one commodity. No service offerings are included in this request for approval.

STAFF RECOMMENDATION TO THE PROCUREMENT COUNCIL

The addition of this AB Series Rescue Boat Package will provide New York State government purchasers with a preferred source option to meet their purchasing needs, and it will provide ongoing employment to 0.156 FTEs at Arc Herkimer/Herkimer Industries.

Based upon the foregoing, Staff recommends that the Procurement Council approve NYSID application #2513-C and designate preferred source status to AB Series Rescue Boat, Trailer & Motor Package-Includes: 14' Inflatable Boat, Trailer & 30 HP Motor with Rescue Pump Jet G7570 under the following condition:

1. **Any future additions to this product line (product line extensions) shall be reviewed as a new application by both OGS and ESD and presented to the Procurement Council for vote.**