



## 2015 Purchasing Forum & Trade Show

# Supporting Preferred Sources

*Opportunities on the Horizon*

May 20 & 21, 2015



# Agenda & Introductions

## Class Outline

- Overview of Preferred Sources & Offerings
- How and When to Purchase from a Preferred Source
- What is Form, Function, and Utility?
- MWBE Goals and Service Disabled Veteran Preferences

## Presenters:

- Christine Irvine
- Joseph Better
- Kim Miller



# Overview & Offerings



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# Who needs to know about Preferred Sources?

## ...Everybody!

- **State Agencies –**  
*Includes all state agencies, AG, OSC, SUNY, & CUNY*
- **Political Subdivisions –**  
*Includes school districts, cities, villages, towns, & counties*
- **Public Benefit Corporations –**  
*Includes state & local authorities*



# Preferred Sources

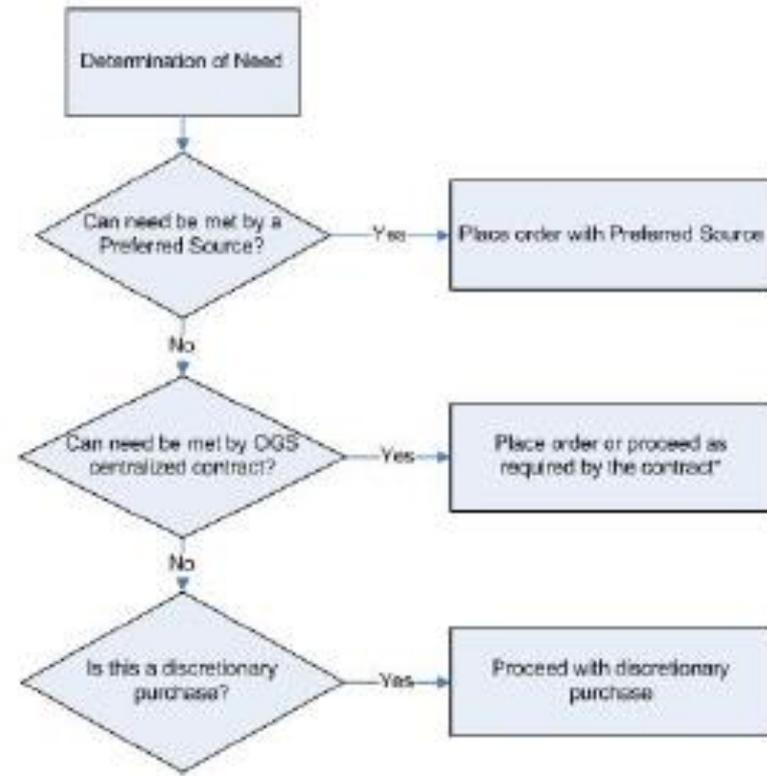
- Established by NYS Finance Law (Article 11, Section 162)
  - [http://www.weblaws.org/new\\_york/laws/n.y.\\_state\\_finance\\_law\\_sec.\\_162](http://www.weblaws.org/new_york/laws/n.y._state_finance_law_sec._162)
- Promotes long term employment for:
  - Prison inmates, Blind and visually handicapped, Severely disabled, Mentally ill, & Veterans
- SFL Section 162.9 *“The provisions of this section **shall supersede inconsistent provisions of any general, special or local law, or the provisions of any charter.**”*



# Preferred Sources

1. Generally, offer both **commodities and services**.
2. **Have priority** over all other procurement methods.
3. This chart shows when and where Preferred Sources fit in.\*

*\*Procurement Council Guidelines (May 2014), page 5*



# Who Are They & What Do They Offer

Who	What They Offer
CORCRAFT	Commodities
NIB/NYSPSP	Commodities & Services
NYSID	Commodities & Services

Let's take a closer look...



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# NYS Department of Corrections & Community Supervision/Division of Industries (CORCRAFT)

- Provides employment opportunities for 2,100 inmates and teaches skills that are useful in finding and keeping jobs after release.
- Offers **commodities only**.
- Manufactures and sells more than **300 products** including furniture, seating, janitorial supplies, clothing, signage, eyeglasses, license plates, and much more.

- CORCRAFT – NYS Vendor ID #042000082
- 518-436-6321 or 1-800-436-6321
- [www.corcraft.org](http://www.corcraft.org)



# National Industries for the Blind / NYS Preferred Source Program (NIB / NYSPSP)

- Provides NY employment opportunities for people who are blind or visually impaired.
- Offers both **commodities and services**.
- Provides a wide variety of products and services including office supplies, drug test kits, janitorial products, a variety of gloves and safety vests, mail and call center services, kitting services, etc.

- NIB/NYSPSP – NYS Vendor ID #1100070977
- 518-621-0621 or 1-800-421-9010
- [www.nyspsp.org](http://www.nyspsp.org)



# New York State Industries for the Disabled (NYSID)

- Provides NY employment opportunities for people who are severely disabled.
- Offers both **commodities and services**.
- Provides many products and services including janitorial supplies, medical care items, office and school supplies, personal care products, safety supplies, signage, medical kits, textiles and apparel, janitorial services, food services, laundry services, data imaging, mail fulfillment, courier/messenger services, temporary personnel, secure document destruction, etc.

- NYSID –  
NYS Vendor ID  
#1000001252
- 518-621-0621 or  
1-800-421-9010
- [www.nysid.org](http://www.nysid.org)



# How do I get more details about Preferred Source offerings?

## Preferred Source Guidelines:

[www.ogs.state.ny.us/procurecounc/pdfdoc/psguide.pdf](http://www.ogs.state.ny.us/procurecounc/pdfdoc/psguide.pdf)

It includes:

- Links to Preferred Sources' Catalogs
- Links to Preferred Source Listings (the List)
- Summary of Purchasing Procedures
- Information on "How to Use Preferred Sources"



# How do I get more details about Preferred Source offerings?

The Preferred Source List has 5 Sections (A-E):

- **Section A: Commodities – Items approved statewide\***
- Section B: Commodities - Items approved for a specific entity
- Section C: Commodities - Items not approved
- **Section D: Services - Items approved statewide\***
- Section E: Services – Items not approved

\*mandatory use if fits form, function and utility



# What do I do if I can't find what I need?

If you **want to buy something that is not found** on the Preferred Source list, contact the Preferred Sources to see if they can help you locate it on the list or possibly submit an application to OGS to add the item to the list for future purchase.

Approval of new items is through the New York State Procurement Council and OGS. New offerings must be **for more than one agency**.



# Which Preferred Source do I purchase from?

- Sometimes Preferred Sources have overlap in their offerings.
- Commodities and services **available in the form, function and utility required** by a state agency (or political subdivision or public benefit corporation) must be purchased from preferred sources in the following prioritized order:

## Commodities:

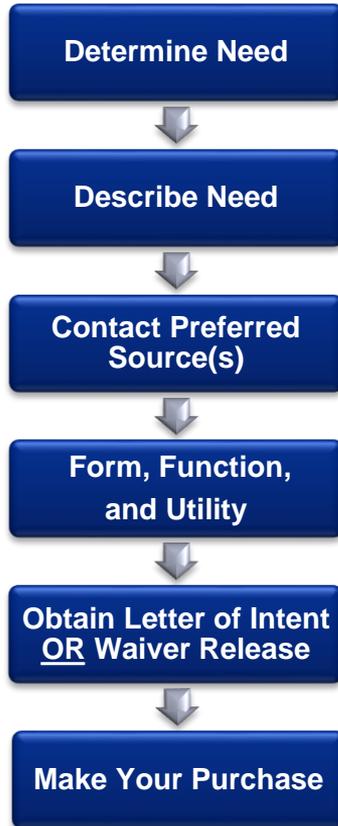
1. Corcraft
2. NIB / NYSPSP
3. NYSID

## Services:

Equal priority – if more than 1 preferred source meets the requirements cost shall be the determining factor.



# How To Purchase From Preferred Sources



- Agencies should work with Preferred Source and negotiate where possible.
- Do **not do a competitive solicitation** prior to speaking with the Preferred Source.
- Preferred Sources have **10 days to respond** with an accept or release the procurement opportunity.
- Letter of intent or waiver release will be required for procurement record.

# Does the Preferred Source meet my needs?

- Make every effort to purchase from Preferred Sources when the item meets the your needs.
- **Broadly interpret** the generic list of Preferred Source offerings.
- Requirements may include quality, quantity, delivery, packaging, performance standards, compatibility, timing, etc.
- Make reasonable efforts to notify Preferred Sources of agency needs and initiate discussion of needs.
- **Have a conversation.** Talk to the Preferred Source to gain additional information and/or discuss potential accommodations to meet agency form, function, and utility needs.



# What is Form, Function, & Utility?



# Determining Form, Function, & Utility

- To apply the form, function and utility standard, define the commodity/service in terms of **the minimal essential requirements**.
- Requirements should not be over or understated. These requirements must relate to the **actual needs** and not be included to circumvent using the Preferred Sources.



# Determining Form, Function, & Utility

## Ask yourself:

- Does the commodity or service meet either agency specifications or industry standards which may be applicable?
- If there are deviations from specifications for a commodity, will a **substitute suffice** or substantially meet the minimum requirements for function and performance?
- Are deviations from services specifications minor? Could the service be made to suffice, or does it substantially meet the minimum requirements for function and performance?



# Determining Form, Function, & Utility

## Ask yourself:

- Will it meet your purchasing needs?
- Will the Preferred Source deliver the goods or services within the necessary timeframe?

Do not accept  
a Preferred Source service which is  
**materially unsuited**  
to the needs of the agency.



# Determining Form, Function, & Utility

- The pricing must be within 15% of prevailing market pricing.
- Pricing alone cannot be used as a factor in determining form, function, and utility.
- You must be able to justify your decisions in your procurement record.



# Determining Form, Function, & Utility

## Waivers

If an agency determines commodity **does not meet** form, function or utility:

- Provide written notification to the Preferred Source.
- Preferred Source has 10 days to respond.
- If the Preferred Source provides a declination or does not respond, agency may proceed with purchase.



# How to Purchase from a Preferred Source



# How do I buy a commodity?

1. Check the Preferred Source list:
  - [www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf](http://www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf)
2. Must be purchased in the following prioritized order:
  - [www.corcraft.org](http://www.corcraft.org)
  - [www.nyspsp.org](http://www.nyspsp.org)
  - [www.nysid.org](http://www.nysid.org)
3. Commodities have not-to-exceed pricing. Lower pricing may be available for volume purchases.
4. If the commodity you need is available, place your order.



# How do I obtain a service?

- There is **no priority** among the Preferred Sources for services. Email the Preferred Source to submit your scope of work using your own template. *Note: DOCCS/Corcraft does not have Preferred Source status for services.*
- **Ensure the services offered meets your form, function and utility.** If so, a contract is drafted and the pricing is agreed on. Remember, price must be within 15% of market prices.
- **After** you agree the pricing is reasonable, the Preferred Source submits the pricing to OGS for review and approval if the cost exceeds \$50,000.00.
- After OGS pricing approval, the contract may have to be submitted to OSC for approval.

**CHECK THE  
PREFERRED  
SOURCE LIST  
BEFORE  
ISSUING A  
SOLICITATION!**

[www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf](http://www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf)



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# MWBE Goals & Service Disabled Veteran Preferences



# What about MWBE & Service Disabled Veteran Businesses?

Preferred Sources have priority over MWBE and SDVOB requirements.

## MWBEs

- Value of Preferred Source agreements is removed from agency spending against agency's MWBE goals.
- May include MWBE corporate partnerships, which can be used to meet agency MWBE goals. MWBE corporate partners must comply with the State Finance Law Section 162.7

## Service Disabled Veterans

- This is a work in progress...
- More details to come!



# Helpful Resources



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# Preferred Sources Contact Information

## CORCRAFT

- NYS Vendor ID #042000082
- 518-436-6321 or 1-800-436-6321
- [www.corcraft.org](http://www.corcraft.org)

## NIB/NYSPSP

- NYS Vendor ID #1100070977
- 518-621-0621 or 1-800-421-9010
- [www.nyspsp.org](http://www.nyspsp.org)

## NYSID

- NYS Vendor ID #1000001252
- 518-621-0621 or 1-800-421-9010
- [www.nysid.org](http://www.nysid.org)

# Other Resources

## Buying from a Preferred Source

The screenshot shows the New York State Procurement website. The main heading is "Buying from a Preferred Source". Below the heading, it explains that if you are a state agency, a public benefit corporation, a municipality, or a school district, you are required by law to purchase commodities and services from Preferred Sources first. It lists three preferred sources:

- [New York State Department of Correctional Services Division of Industries](#)—Corcraft, provides employment opportunities for inmates.
- [New York State Preferred Source Program](#), provides employment opportunities for blind and visually impaired New Yorkers.
- [New York State Industries for the Disabled](#), provides employment opportunities for both disabled New Yorkers and veterans.

It also includes a "General Resources" link and a footer with contact information for the Commissioner of General Services.

[www.nyspro.ogs.ny.gov/content/buying-preferred-source-0](http://www.nyspro.ogs.ny.gov/content/buying-preferred-source-0)

## Preferred Source List & Guide

The screenshot shows a document titled "LIST OF PREFERRED SOURCE OFFERINGS" from the NYS OGS. It includes a "NOTE" stating that the list has been updated to reflect recommendations of the State Procurement Council. It also provides contact information for three preferred sources:

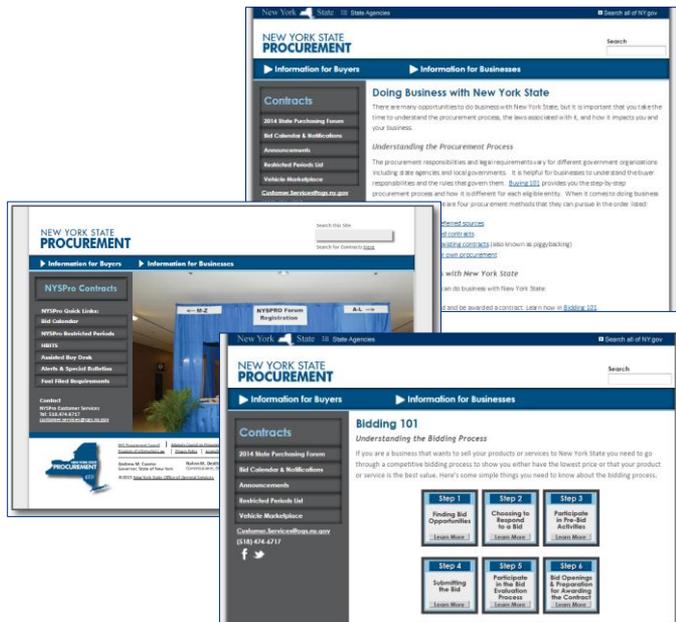
- CORCRAFT**: New York State Department of Correctional Services, Division of Industries, 350 Broadway, Monticello, NY 12244. Phone: (518) 436-6321. FAX: (518) 436-6321. Web Address: <http://www.corcraft.org>. Vendor ID#04200082.
- NYS PREFERRED SOURCE PROGRAM FOR PEOPLE WHO ARE BLIND (NYS/SP)**: 194W Washington Avenue, Suite 300, Albany, NY 12210. Phone: (518) 456-8671. FAX: (518) 456-3587. Web Address: <http://www.nysblind.org>. Vendor ID#1100079977.
- NEW YORK STATE INDUSTRIES FOR THE DISABLED, INC.**: 11 Columbia Circle Drive, Albany, NY 12203. Phone: (518) 463-9706. FAX: (518) 463-9708. Email: [admin@nysid.org](mailto:admin@nysid.org). Web Address: <http://www.nysid.org>. Vendor ID#100001252.

[www.ogs.state.ny.us/procure/counc/pdfdoc/pslist.pdf](http://www.ogs.state.ny.us/procure/counc/pdfdoc/pslist.pdf)



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# Reminder: We are here to help!



Contact us today:

(518) 474-6717 or (518) 474-7101

[customer.services@ogs.ny.gov](mailto:customer.services@ogs.ny.gov) or

[PS\\_CM\\_PREFERREDSOURCE@ogs.ny.gov](mailto:PS_CM_PREFERREDSOURCE@ogs.ny.gov)



Find procurement resources:

[www.nyspro.ogs.ny.gov](http://www.nyspro.ogs.ny.gov)



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# Questions?



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