



Purchasing Forum & Trade Show

Using Preferred Sources

May 18 & 19, 2016



Agenda & Introductions

Class Outline

- Overview of Preferred Sources and 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
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Who needs to know about buying commodities and services from 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



The NYS Preferred Source Program

- Promotes the purchase of goods and services from Preferred Sources.
- Established by NYS finance law (Article 11, §162)
- Certain providers have “preferred source” status under the law.
- Acquisition of commodities and/or services from Preferred Sources are exempt from competitive procurement requirements.

See the Preferred Source Guidelines at:
<http://ogs.ny.gov/procurecounc/pdfdoc/psguide.pdf>



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Introducing the Preferred Sources



**NYS Department of
Corrections &
Community
Supervision, Division
of Correctional
Industries**

- Offers a variety of commodities.

**New York State
Preferred Source
Program for People
who are blind or
visually impaired**

- Offers commodities and services.

**New York State
Industries for the
Disabled**

- Offers commodities and services.



CORCRAFT Commodities

- Cafeteria tables and chairs
- Classroom and dormitory furniture
- Library tables and seating
- Office & conference room furniture
- File and storage cabinets
- Highway and traffic signage
- License plates
- Janitorial and cleaning supplies
- Floor care and laundry supplies
- Work wear and apparel



NYSPSP Commodities and Services

Commodities:

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



Services:

- Call center
- Kit assembly
- Mailroom and delivery
- Secure document destruction
- Transcription services
- Warehousing and distribution

NYSID Commodities and Services

Services:

- Document imaging
- Garbage pickup & electronic recycling
- Janitorial and grounds keeping
- Secure document destruction
- Temporary personnel
- Warehousing and distribution



Commodities:

- Drug test kits
- Incontinence and medical supplies
- Janitorial and cleaning supplies
- Paper, office supplies and lighting
- Personal care items and textiles
- Work wear, uniforms and apparel



Preferred Source Member Agencies

- Member supplied commodities and services are provided through the direct employment of severely disabled, blind and visually impaired residents of NYS.
 - Assembling NYS Police uniforms and DOT hard hats
 - Manufacturing and packaging post-it notes
 - Repackaging folders and office supplies
 - Customizing outerwear and other garments
 - Mail sorting, janitorial, call center, and temporary office services



...and much more!

Form, Function, & Utility

Determining Form, Function & Utility

Form, function and utility, defines a commodity or service in terms of your minimum essential requirements.

- Requirements should not be overstated.
- Requirements must relate to your actual needs.
- Requirements should not be designed to circumvent use of Preferred Source offerings, or to avoid a competitive procurement.



Determining Form, Function & Utility

Ask yourself:

- Does the commodity or service meet your need?
- Can a substitute Preferred Source commodity be used?
- Can the Preferred Source service suffice for your need?

Learn more about §162 of NYS Finance Law:

<http://codes.findlaw.com/ny/state-finance-law/stf-sect-162.html>



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Determining Form, Function & Utility

If you have determined that a Preferred Source offering **does not meet** your form, function, and utility requirements:

- You must provide written notification to the Preferred Source.
- The Preferred Source has 10 days to respond to you.
- If you do not receive a response within 10 days, contact them again to request a waiver.
- Once you have a waiver, you may proceed with the purchase from another source.

You must be able to justify your decisions and document them in your agency procurement record.



Preferred Source Prices

Pricing is governed by NYS finance law and NYS Procurement Council.

- Commodity prices must be within 15% of prevailing market.
- Service prices must be within 15% of prevailing market.

Prevailing market is the price you would pay under a competitively awarded contract.

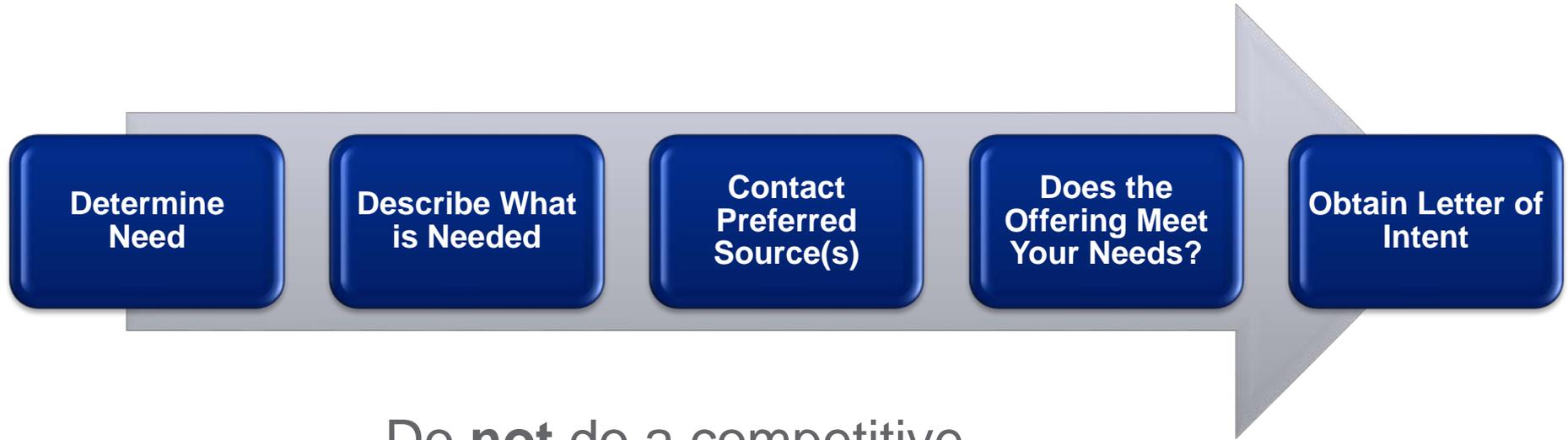
Read about prevailing market pricing in NYS Finance Law § 162.6.b and § 163.1.d



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How to Purchase From a Preferred Source

How To Purchase From Preferred Sources



Do **not** do a competitive solicitation prior to contacting the Preferred Source.

Preferred Source Priority

- Sometimes Preferred Source offerings overlap.
- When commodities or services are available in the form, function and utility you require, they must be obtained from the Preferred Sources in the following order:

Commodities

Must be purchased from Preferred Sources in the following order:

1. **CORCRAFT**
2. **NYSPSP**
3. **NYSID**

Services

All Preferred Sources have equal priority, but if more than one offer meets your requirements, **cost** shall be the determining factor.



How Do I Buy a Commodity?

- Use eMarketplace or SFS whenever possible!
 - Approved Preferred Source offerings are on eMarketplace.
- Use the Preferred Source List of Offerings!
 - www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf
- Commodities have not-to-exceed pricing
 - Lower pricing may be available for volume purchases.

Want to learn more about the eMarketplace?

- Check out the class at this year's forum!
- Visit our website: <https://nyspro.ogs.ny.gov/content/nys-e-marketplace-1>



Where to Buy: Welcome to eMarketplace!

eMarketplace is the new one stop shopping site for NYS!

- You are just a click away from a quick and easy way to buy items from Preferred Sources.
 - To access the NYS eMarketplace directly you need a login.
 - Buyers may use purchase order, credit card or NYS procurement card.
 - Use the link below to get started!

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

Need assistance accessing eMarketplace? Contact OGS Customer Services at: 518-474-6717 or email customer.services@ogs.ny.gov



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Finding Preferred Source Items is Easy!



Search Cart Quick Entry Shopping Lists



Office of General Services eMarketplace

Search Cart Quick Entry Shopping Lists

gloves Search View All Catalogs **Advanced Search**

Supplier

- Corr Distributors Inc. (8)
- F & F Industrial Equip... (674)
- NYS Preferred Source f... (187)
- more...

Manufacturer

- 5.11 TACTICAL (87)
- ABILITY ONE (4)
- ACCUFORM SIGNS (5)
- ACTION CHEMICAL (12)
- more...

Compare Products

1 2 3 4 5 6 7 8 9 10 ..

All Preview Item Description

IMAGE NOT AVAILABLE LEATHER PALM GLOVES
F & F Industrial Equipment Corp
Product ID: 121-1JL8562

gloves Search View All Catalogs **Advanced Search**

Advanced Search

with all of the words

with the exact phrase

with at least one of the words

without the words

Fuzzy search

Preferred items

gloves Search View All Catalogs **Advanced Search**

Supplier

- NYS Preferred Source f... (187)**
- NYSID (21)

Manufacturer

- Albany ARC (4)
- American Red Cross (1)
- Bound Tree (2)
- F.E.G.S. (1)
- more...

Groups

- Global Attribute Library
- UNSPSCv131201

Price Range

from: to: >>

Compare Products

1 2 3 4 5 6 7 8 9 10 .. 21 >

Advanced Search: Preferred items x Corearticle

All Preview Item Description

PS

General Purpose Gloves, Vinyl, Powder Free, Natural: Sizes Small - XLG, Select Size

NYSID

Product ID: C3315
Manufacturer Name: Tronex
Manufacturer PN: 8980

PS

Examination Gloves, Latex, Powder Free, Natural: Sizes Small - XLG, Select Size

NYSID

Product ID: C3317
Manufacturer Name: Tronex
Manufacturer PN: 3110

To help purchasers avoid confusion only approved Preferred Source commodities are given the **PS** badge in eMarketplace.



How Do I Contract For Services?

- Check the List of Preferred Source Offerings or use the eMarketplace.
- Send an email with your scope of work.
- Confirm that the service meets your form, function, and utility.
- Draft a contract and negotiate a price.
- **After** you agree to the terms, conditions, and price the Preferred Source submits an application for approval to OGS (if the cost exceeds \$50,000.00).
- After OGS approves pricing, the contract may also be submitted to OSC for approval.

Use this link to check the List of Preferred Source Offerings before issuing a solicitation:

www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf



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Roles, Responsibilities, & Resources

Your Role & Responsibility

Follow the Purchasing Order of Precedence

NYS Finance Law § 163 (3)(a)(i) established the following order of precedence for NYS agencies.

- First:** Preferred Source offerings
- Second:** OGS centralized contracts
- Third:** Agency or multi-agency established contracts
- Fourth:** Other means of contracting (discretionary, IFB, etc.)

Learn more about NYS Finance Law

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



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Minority and Woman Owned Business Enterprises

Preferred Source purchases have priority over MWBE goals.

MWBE Goals

- Preferred Source payments to a **Corporate Partner that is an MWBE** count towards MWBE goals.
- MWBE goals should be considered on the Corporate Partner value of the Agreement
- You must “lock in” the contract in ESD’s system with the Preferred Source named as the contractor.
- The Preferred Source will report payments via the ESD system.



Service Disabled Veteran Owned Businesses

Service Disabled Veterans Goals (6% of spend)

**Preferred
Source
purchases
have priority
over SDVOB**

SDVOB Goals

- Preferred Source payments to a **Corporate Partner that is an SDVOB** counts towards SDVOB goals.
- SDVOB reporting process is under development.

Roles & Responsibilities

Office of General Services

- Review and approve proposed prices, and request revisions when necessary.
- Review job descriptions, duties, value added labor and percentages of visually impaired and severely disabled workers.
- Maintain the List of Preferred Source Offerings.

Office of the State Comptroller

- Review and approve NYS agency service contracts valued over \$50,000.
- Audit government entity purchases.
- Audit the Preferred Source program.



List of Preferred Source Service Offerings

- **New list coming soon!**
 - Includes detailed definitions.
 - Easier to sort & filter

SERVICES: SECTION D Services listed below have been approved as a preferred source service for one or more State agencies, political subdivisions or public benefit corporations as indicated with ✓.	Corcraft	NIB/NYPSP NYS Preferred Source Program for People who are Blind	NYSID NYS Industries for the Disabled
Grounds Maintenance and Janitorial			
Grounds Keeping & Lawn Maintenance: The care of the space surrounding a building. It involves the caring of plants and trees, raking of leaves, and mulching in exterior areas. Also involves the cleaning and clearing of sidewalks, parking lots, equipment, fountains, fences, planters and benches. Workers typically do the following: <ul style="list-style-type: none"> • Mow, edge, and fertilize lawns • Weed and mulch landscapes • Trim hedges, shrubs, and small trees • Remove dead, damaged, or unwanted trees or other plants • Plant flowers, trees and shrubs • Water lawns, landscapes, and gardens • Trash cleanup of grounds 			✓

Find the current list online at:
www.ogs.state.ny.us/procureco/unc/pdfdoc/pslist.pdf

Helpful Resource: BSC Purchasing Guideline

1 Preferred Sources

Concraft, National Industries for the Blind, NYS Industries for the Disabled, Buy OMB

Preferred Sources must be considered first. State agencies are required to purchase from a Preferred Source if it meets the agency's form, function and utility. If a Preferred Source is available and not used, the agency must document how it did not meet their form, function, or utility. Formal waivers are required. See the Preferred Sources Guidelines: <http://www.ogs.ny.gov/procurecounc/pdfdoc/psguide.pdf>

	Purchasing Commodities & Technology from a Preferred Source		Purchasing Services from a Preferred Source	
	If Your Dollar Amount of Purchase is \$0 - \$49,999	If Your Dollar Amount of Purchase is \$50,000 & over	If Your Dollar Amount of Purchase is \$0 - \$49,999	If Your Dollar Amount of Purchase is \$50,000 & over
What purchasing method do I use?	Procurement Card where possible or Purchase Requisition	Purchase Requisition	Procurement Card where possible or Purchase Requisition	Agency-specific contract. Agency does solicitation and enters contract requisition in SFS.
Who solicits quotes or issues bid documents?	Agency - Use published price lists	Agency - Use published price lists	Agency - Written Quotes (Price Concurrence)	Agency - Refer to Preferred Source Guidelines for Instructions
If Technology-related, is PTP approval required?	NO	YES	NO	YES
Do I have to advertise in the Contract Reporter?	NO	NO	NO	NO
Do I need OSC approval?	NO	NO	NO	YES - If over \$50,000 ²
Do I need a Vendor Responsibility Profile/ Checklist?	NO	NO	NO	NO
Do I need a Vendor Responsibility Questionnaire?	NO	NO	NO	NO
Is a NYS Procurement Lobbying Law form required?	NO	NO	NO	NO
Are there any MWBE Goals?	NO	NO	NO	NO
Do I need DOB B-1184 approval?	DOB B-1184 approval threshold varies based on what is being purchased. See B-1184 Approval Thresholds (page 4)	DOB B-1184 approval threshold varies based on what is being purchased. See B-1184 Approval Thresholds (page 4)	DOB B-1184 approval threshold varies based on what is being purchased. See B-1184 Approval Thresholds (page 4)	DOB B-1184 approval threshold varies based on what is being purchased. See B-1184 Approval Thresholds (page 4)

¹The BSC will conduct solicitations for invitations for Bids for one-time commodity purchases upon request.
²Information Technology Services' Plan-to-Procurer (PTP) approval is required for any IT procurement of a product or service equal to or greater than \$50,000. Approval is also required when procuring from or requesting exemption from purchasing from any aggregate or enterprise agreement, regardless of dollar amount. Agencies submit their own request for PTP.
³For OGS, the discretionary purchasing limit is \$85,000 (for transactions processed in SFS, GLBU OGS07). OGS is not required to conduct a formal solicitation for purchases between \$50,000 and \$85,000. These written quotes should be obtained. OGS is still obligated to advertise in the Contract Reporter for Open Market Purchases \$50,000 and over.

NYS OGS Business Services Center (BSC) Resources

To access this job aid and more, visit the BSC website: https://bsc.ogs.ny.gov/sites/default/files/PurchasingRequirements_2-26-16.pdf

Find More Information Online

- **OGS Procurement Services** | www.nyspro.ogs.ny.gov
- **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

Got questions? Email us at
PS_CM_PREFERREDSource@ogs.ny.gov



Find More Information Online

- **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>
- **NYS Finance Law** | <http://public.leginfo.state.ny.us/lawssrch.cgi?NVLWO>

**Scroll down to STF, Select Article 11 (160-168) State Purchasing*

Got questions? Email us at
PS_CM_PREFERREDSource@ogs.ny.gov



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Questions