



May 5, 2016

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Ms. RoAnn Destito  
Commissioner  
New York State Office of General Services  
Corning Tower, 41<sup>st</sup> Floor, Empire State Plaza  
Albany, NY 12242

BY: .....

Dear Commissioner Destito:

Printing Industries Alliance is the trade association representing printing and print related companies in New York State. As you know, printing plays a significant role in the New York State economy. There are over 2,500 printing firms located in practically every city, town, and village in New York State. These businesses provide well-paying manufacturing jobs to our families, friends, and neighbors. These jobs pay mortgages, put children through colleges, and pay taxes to New York State. Printing in New York State is a small business industry with approximately 89% of New York State printing firms having less than 50 employees.

We are writing to express our opposition to the New York State Industries for the Disabled (NYSID) application, dated April 1, 2016, to become a Preferred Source for Mail Fulfillment. It is important to note that NYSID is careful to reference that the Preferred Source application for Mail Fulfillment specifically requests that "Document Production" be included in the activities included in the "Mail Fulfillment" task. This is a not so thinly disguised attempt to get to the real goal - Preferred Source status for "variable data printing", also known as "digital printing". In fact, a recently submitted NYSID application, dated March 22, 2016, specifically requested that "variable data printing" be included in the "Mail Fulfillment" task. The April 1 application is requesting the same thing, in a roundabout way. "Document Production" for "Mail Fulfillment" is done utilizing digital printing. When you read "Document Production" in the April 1<sup>st</sup> NYSID application, you should think "Digital Printing" and you will see the true meaning of the proposal.

Approval of this application will have a significant negative impact on a substantial number of New York State printing companies in the form of lost business and lost jobs. We oppose this application and would note the following concerns that our membership has expressed:

- The 2016 NYSID application is designed to achieve the same goal as an application NYSID submitted in 2013 to become a Preferred Source for digital printing. "Document Production", as a component of "mail fulfillment", is done utilizing "digital printing/ variable data printing" technology. The 2013 application was previously rejected by the Procurement Council, as this one should be. Again, while the wording has been changed the result will be the same - lost business for New York State printing firms and lost jobs for their employees.
- NYSID's April 1, 2016 application to the Procurement Council is factually incorrect. The cover letter states:

PIA Headquarters  
636 North French Road, Suite 1  
Amherst, NY 14228  
tel: 716-691-3211 or 800-777-4742  
fax: 716-691-4249

NY/NJ Metro Office  
195 Prospect Park West  
Suite 1A  
Brooklyn, NY 11215  
cell: 203-912-0804

www.PIAlliance.org | info@PIAlliance.org

*“Procuring agencies now require a complete turnkey solution for mail fulfillment services. All aspects of the job from label to envelope to mailing must be performed by the contractor.”*

This is simply not correct. Printing Industries Alliance has any number of printer members who do not do mailings and mailing members who do not print. Printing firms who don't do mailing, work with mailers. Mailers who don't do printing, work with printing firms. It's actually quite simple.

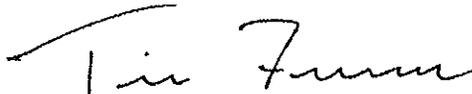
- The NYSID application seeks to control a market that is estimated to currently be approximately 150 million dollars per year. While the application portrays the work in question to be merely some simple statements and letters that would be printed and mailed, this is far from the case. It also includes anything that can be digitally printed, personalized or not, and sent through the mail. Examples include:
  - Sophisticated personalized marketing pieces sent to prospective students from SUNY
  - Personalized invitations to an exhibit at a public museum
  - Personalized vehicle registration information from DMV
  - Personalized invitations to a public hospital fundraiser
  - Personalized tourist information, including “I Love NY” mailed to potential visitors
  - . . . and more! The list is endless!
- A large number of our members currently utilize New York State community rehabilitation agencies as a vital part of their production process, often times for mail fulfillment. We recently surveyed our Board of Directors on their company's utilization of community rehabilitation agencies. We surveyed 29 Board member companies. Of the 20 who responded, 16 currently or regularly utilize employees from these agencies as vital partners in their production process. These companies employ handicapped, hearing impaired, and vision impaired individuals as well as a large number of veterans. It would be ironic and unfortunate if the decreased business to New York State printers resulted in less utilization of community rehabilitation agencies and lost jobs within that community.
- The competitive nature of the New York State printing industry delivers rock bottom pricing to governmental entities purchasing mail fulfillment/ printing, protecting the New York State taxpayer. Adoption of the NYSID application will decrease competition and raise costs to the New York State taxpayer.
- The NYSID application seeks to restrict access to this 150 million dollar digital print/mail market. Production of this work would be limited to NYSID, the NYSID members listed in the application, and a very limited and hand selected list of for profit printing firms that they chose to work with. During the discussion about the 2013 application, several of our members approached NYSID and requested information about becoming a “Preferred Source” vendor to NYSID. They were advised that NYSID did not require any additional vendors.
- The NYSID application references the fact that “Mail Fulfillment contracts do not and will not include Offset Printing” The lines between what can be done digitally versus offset have become blurred and there is no way for OGS to reliably police whether a mailing contract is being produced digitally or offset. Also, many mailing jobs are produced utilizing a combination of offset and digital printing. The offset “shell” is produced, and then it is

personalized for mailing, utilizing digital equipment. It is impossible to police this production process.

- NYSID does not have experience, training or knowledge about personalized variable data printing.
- Variable Data Printing is not “copying” or “document processing”. Digital printing equipment is expensive and requires extensive maintenance to keep operational. Working with digital files and operating a digital printing press is quite complex especially when producing variable data printing. The equipment needs to be operated 3 shifts to be cost effective, otherwise the maintenance and capital costs are too high to be economical.
- Granting “Preferred Source” status gives an unfair competitive advantage to NYSID and their partners and essentially creates a monopoly in a multi- million dollar market. Granting Preferred Source status for mailing/printing does not provide the transparency and level playing field that the New York State taxpayer deserves.
- By their own admission, granting this application will allow NYSID to move into all areas of “digital printing/mail fulfillment” including the high end and high volume examples cited above.
- If approved by the Procurement Council, a decision will have been made negatively impacting the work lives of thousands of New Yorkers based on a proposal that was rejected several years ago.

In closing, we would ask that this application be rejected by the Procurement Council. It is truly a “wolf in sheep’s clothing”. The utilization of the term “Document Processing” to replace “variable data printing” speaks volumes as to the intent of the proposal. Approval of the application will have a significant negative impact on a substantial number of New York State companies and their employees, including members of the disabled workforce. We appreciate your thoughtful consideration of this request to reject the proposal and would be pleased to answer any questions you may have. Thank you.

Very truly yours,



Timothy Freeman  
President

cc: Ms. Susan Filburn, Deputy Chief Procurement Officer, New York State Office of General Services  
New York State Procurement Council Members (via email)  
Additional Interested Parties (via email)