

Corrected April 6, 2005

**Minutes of the Meeting
NYS Procurement Council
March 4, 2005 - 9:30 am
Meeting Room 7
Convention Center, Empire State Plaza
Albany, NY**

- I. Call to Order.** First Deputy Commissioner Robert Fleury called the meeting to order. Mr. Fleury introduced Richard Healey, newly appointed President and CEO of the Industries of the Blind of New York State.
- II. Minutes of the Meeting November 17, 2004.** The draft minutes of the meeting dated November 23, 2004 were accepted unanimously.
- III. Old Business**

Vendor Responsibility

Diane Taylor of the Office of the State Comptroller presented a briefing of the operations, recent developments, outreach efforts and planned efforts of OSC with respect to vendor responsibility determination as required by G-Bulletin 221 ([attachment #1](#)).

Interest in and support of a centralized database was discussed and it was stated that the standardization of vendor responsibility determination is an important first step in the process.

Leon Aronowitz asked if the implementation of the vendor responsibility process will cause delays in the turn around time for processing contracts at OSC. Joan Sullivan stated that since the process of responsibility determination and the pre-audit of contracts are parallel processes implementation of G-Bulletin 221 should have minimal impact.

Noreen Van Doren of OGS and James Shear of the Thruway Authority provided copies of the Uniform Contracting Questionnaire developed by the Council of Contracting Agencies (CCA) for all construction contracts. The questionnaire has been in use for many years. Since the release of G-Bulletin 221 the CCA has made some changes to the questionnaire with additional changes expected ([attachment #2](#)).

IV. New Business

1. OGS Updates

9/11 Registry

Anne Phillips discussed the preference for apparel manufacturers adversely affected by the events of 9/11 as applied in a competitive bidding situation. Ms. Phillips stated that the Labor Department has issued a list of approximately 20 affected manufacturers.

Green Cleaning Products

There was a brief discussion of the Executive Order 134 mandating the reduction of environmental impact of cleaning State facilities ([attachment #3](#)). A recommendation was made to review the wording of the “Green Cleaning” section of the OGS website regarding Preferred Sources, specifically NYSID items. The review was to ensure clarity regarding (1) the priority accorded the approved Preferred Sources Green Cleaning products and (2) affirmation that these products meet the criteria established in Executive Order 134. OGS agreed to conduct such a review.

2. Sales Tax Certification Implementation

Mr. Bernard Hillengas, Director of the e-Government and Cyberlaw Unit, Office of Counsel, NYS Department of Taxation and Finance spoke to the Council about implementation of the sales tax certification for purchase contracts.

3. Revised General Conditions for OGS Contracts

Anne Phillips stated that OGS is in the process of revising General Conditions for OGS contracts (Appendix B). Pending completion of internal review by OGS Appendix B will be distributed to the Procurement Council for review and comment.

4. Report of Preferred Source Recommendations under OGS Standing Authority

Jerry Gerard informed the Council of 3 products that were approved for recommendation to the list of preferred sources offerings since the last meeting. Those products were Air Filters, Safety Garments and Janitorial products ([attachment #4](#)). Mr. Gerard also shared correspondence from the NYS Industries for the Disabled requesting removal of items from the list of preferred sources offerings ([attachment #5](#)).

5. Preferred Source Applications

The Council considered two applications for approval of recommendation to the list of preferred sources offerings.

Furniture Installation Service ([attachment 6](#))

After a brief discussion the application for NYS Industries for the Disabled to provide furniture installation services was denied by a vote of one (1) in favor, ten (10) opposed, with one (1) member abstaining and five (5) members absent.

Data Imaging Service ([attachment 7](#))

The Council voted to table the discussion of the application for NYS Industries for the Disabled to provide data imaging services until the next meeting.

NYSID was asked to provide additional information that will respond to the issues and concerns expressed by Council members during the discussion pertaining to this application. Specifically:

1.) What is the number of severely disabled workers (fte's) that will be provide bona fide long term employment opportunities for persons who would otherwise be new clients of the member agency(s) as a result of the approval of this application?

Answer: In responding to the Procurement Council's question, NYSID researched the document imaging contracts approved by OGS and noted in our application (page 3) under the heading "Customers". The value-added labor ratios exceed both the criteria of 75% for conventional preferred source contracts and the 51% for Corporate Partnerships at 77% and 66% respectively. Using these contracts as our base, we determined the ratio of FTE's per \$1,000 of services (1FTE per \$19,000). Based on this calculation, and estimated annual NYSID sales of \$1,200,000 (Market – page 4), the potential FTE equivalent is estimated at approximately 63. It should be noted that these ratios are dynamic, since each job may have characteristics and specifications (age condition of documents, indexing, handling, etc.) that will impact ratios.

2.) What is the cost distribution (as a percentage) across the major cost components for this service offering, namely: wages, benefits, expenses, administrative overhead, and NYSID fee?

Answer: This question was not raised either prior to or at the Procurement Council Meeting. Regardless, utilizing the OGS approved contracts as a reference point, the following cost distribution averages were derived:

•	<u>Wages</u>	<u>70%</u>
•	<u>Expense/Material</u>	<u>7%</u>
•	<u>Overhead</u>	<u>15%</u>
•	<u>NYSID Fee</u>	<u>4%</u>
•	<u>Other</u>	<u>4%</u>
		<u>100%</u>

3.) What is the distribution of labor between disabled and non-disabled workers, and what percentage of wages and benefits paid will be paid to the disabled workers vs. non-disabled workers?

Answer: Another question not raised either prior to or at the Procurement Council Meeting. As mentioned in question #1 above, the value-added labor ratios are within the required ranges at 77% and 66%. Regarding the distribution of wages, the NYS Insurance Dept. and ESD contracts utilized only disabled

individuals for direct labor (100%). In the DMV contract, both disabled (86%) and non-disabled labor (14%) was used. Individuals with disabilities earned comparable wages and benefits (37%) and non-disabled individuals earned 34%.

4.) What is the potential impact of the approval of this application on NYS businesses?

Answer: As we state in our application (“Market” – pages 3 and 4), using numerous sources including OGS, ESD, OSC, NYS Unified Courts, AIIM, InfoUSA, etc as well as our prior experience in the Information and Records Conversion Management arena, NYSID estimates our potential annual sales at approximately \$1,200,000. This estimate is based on replicating our experience in the microfilming/fiche. This is estimated to be 25% of the potential market.

There was also some discussion on the necessity of designating this service as a preferred source offering since NYSID already has a base of public customers. NYSID responded imaging/scanning services is a proven progression of technology within “Information and records management” (microfilm/microfiche), which is on the “D” list.

NOTE: This service represents a new technology which will be pursued by many small businesses vs. having a negative impact on a mature marketplace.

5) Question: There was also some discussion on the basic necessity of designating this service as a preferred source offering since NYSID already has a base of public customers. NYSID should be prepared to explain the necessity to add this offering to the list of Preferred Source services and discuss how it will benefit the severely disabled in terms of new employment opportunities.

Answer: Since this service is an extension of or the latest technology being utilized in the Information and Records Conversion Management service (which we have an approval for), we anticipate this service extension offering to serve two purposes:

- as the utilization of microfilm and fiche slowly become less prevalent, imaging will allow our members to continue to employ disabled workers as they become retrained in the use of “scanners” vs. “cameras”. People with disabilities won’t lose their hard-won jobs.
- regarding new positions, as we offer this Information and Records Conversion Management service extension, we anticipate a potential growth of approximately 63 FTE positions (as stated previously).

NYSID is pursuing approval for imaging/scanning services contracts for three reasons:

1. They create jobs for New Yorkers with disabilities – these jobs will all be in New York State.
2. OGS had set a precedent of previously approving imaging contracts for executive agency customers, which was later reversed.

3. We must meet the needs of existing customers expecting to renew/add preferred source imaging/scanning contracts.

There being no further business, the meeting was adjourned.

VI. Next Council Meeting tentatively scheduled for April 6, 2005

Attachments

In attendance:

Leon Aronowitz

Jeff Boyce

Lynn Canton

Frank DiDomenico

Joanne Fazioli

Robert Fleury

Joseph Girven

Timothy Holt

Stewart Kidder

Barbara Milano

Anne Phillips

Robert Reed

Lucy Roberson

Elliot Shaw

Members absent: Larry Barker, Lester Cornelius, Steven Ennis, Robert Pape, John Pfeifer, Susan Zeronda

**NYS PROCUREMENT COUNCIL
VOTING RECORD**

Date: March 4, 2005

QUESTION, MOTION OR ISSUE: Motion to accept the minutes of Council Meeting

November 17, 2004

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
OFFICE OF THE STATE COMPTROLLER Lynn Canton	X			
DIRECTOR OF THE BUDGET Sharon Gariepy (Barbara Milano)	X			
COMMISSIONER OF ECONOMIC DEVELOPMENT Jeffrey Boyce				X
AGENCY REPRESENTATIVES:				
Thomas Lindberg – Ag. & Mkts. (Lucy Roberson)	X			
Stewart Kidder – Corrections	X			
Joanne Fazioli – SUNY	X			
Frank DiDomenico – OMR/DD	X			
Robert Reed – Health	X			
Susan Zeronda-OFT				X
Barbara Miller – OMH (Leon Aronowitz)	X			
AT LARGE MEMBERS:				
Lester Cornelius				X
Steven Ennis				X
Joseph Girven				X
Robert Pape				X
John Pfeifer				X
Elliot Shaw	X			
COMMISSIONER OF GENERAL SERVICES Robert Fleury	X			

**NYS PROCUREMENT COUNCIL
VOTING RECORD**

Date: March 4, 2005

QUESTION, MOTION OR ISSUE: Application for approval of recommendation of

preferred source offering - Furniture Installation, NYSID

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
OFFICE OF THE STATE COMPTROLLER Lynn Canton		X		
DIRECTOR OF THE BUDGET Sharon Gariepy (Barbara Milano)		X		
COMMISSIONER OF ECONOMIC DEVELOPMENT Jeffrey Boyce		X		
AGENCY REPRESENTATIVES:				
Thomas Lindberg – Ag. & Mkts. (Lucy Roberson)		X		
Stewart Kidder – Corrections		X		
Joanne Fazioli – SUNY		X		
Frank DiDomenico – OMR/DD			X	
Robert Reed – Health	X			
Susan Zeronda-OFT				X
Barbara Miller – OMH (Leon Aronowitz)		X		
AT LARGE MEMBERS:				
Lester Cornelius				X
Steven Ennis				X
Joseph Girven		X		
Robert Pape				X
John Pfeifer				X
Elliot Shaw		X		
COMMISSIONER OF GENERAL SERVICES Barrett Russell (Anne Phillips)		X		

**NYS PROCUREMENT COUNCIL
VOTING RECORD**

Date: March 4, 2005

QUESTION, MOTION OR ISSUE: Motion to table discussion of application for approval to recommend listing of preferred source offering - Data Imaging Services, NYSID

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
OFFICE OF THE STATE COMPTROLLER Lynn Canton	X			
DIRECTOR OF THE BUDGET Sharon Gariepy (Barbara Milano)	X			
COMMISSIONER OF ECONOMIC DEVELOPMENT Jeffrey Boyce	X			
AGENCY REPRESENTATIVES:				
Thomas Lindberg – Ag. & Mkts. (Lucy Roberson)	X			
Stewart Kidder – Corrections	X			
Joanne Fazioli – SUNY	X			
Frank DiDomenico – OMR/DD		X		
Robert Reed – Health				X
Susan Zeronda-OFT				X
Barbara Miller – OMH (Leon Aronowitz)	X			
AT LARGE MEMBERS:				
Lester Cornelius				X
Steven Ennis				X
Joseph Girven	X			
Robert Pape				X
John Pfeifer				X
Elliot Shaw	X			
COMMISSIONER OF GENERAL SERVICES Barrett Russell (Anne Phillips)	X			