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FIRST DEPUTY COMMISSIONER

STATE OF NEW YORK

**EXECUTIVE DEPARTMENT
OFFICE OF GENERAL SERVICES**

MAYOR ERASTUS CORNING 2ND TOWER
THE GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
ALBANY, NEW YORK 12242

BARRETT RUSSELL
DEPUTY COMMISSIONER
INFORMATION TECHNOLOGY AND
PROCUREMENT SERVICES

MEMORANDUM

March 20, 2003

TO: Procurement Council Members

FROM: Barrett Russell

SUBJECT: Minutes of the Meeting for February 25, 2003

Enclosed for your review are the draft Minutes of the Meeting for February 25. Attached to the minutes are comments made by Mr. Thomas Myles representing two local purchasing associations National Institute of Governmental Purchasing (NIGP) and the State Association of Municipal Purchasing Officials (SAMPO).

If you have comments or suggested changes, please call Ginny Lazzaro at (518) 486-7323 or e-mail virginia.lazzaro@ogs.state.ny.us.

Enclosures

cc: Commissioner Ringler
R. Fleury
A. Phillips

**Minutes of the Meeting
NYS Procurement Council
February 25, 2003 - 11:00 a.m.
29th Floor Conference Room
Corning Tower - Empire State Plaza
Albany, NY**

- I. **Call to Order.** Deputy Commissioner Barrett Russell called the meeting to order.
- II. **Minutes of Meeting November 21, 2002.** There being no corrections or comments a motion was made to adopt the draft minutes dated Dec. 13, 2002. Seconded and adopted unanimously.
- III. **Highlights of John Kost presentation.** Several Council members attended the session entitled "Improving the Procurement Process in New York State" on January 30, 2003. In addition to OGS Commissioner Ringler's overview of the Council's Strategic Plan, John Kost of the Gartner Group provided an innovative look at policy issues behind procurement from a national perspective. Mr. Russell stressed the importance of exploring procurement process improvements in New York that would result in cost savings. Leon Aronowitz, Office of Mental Health was impressed with the message from this session that it is critical for government and the private sector to communicate and "build bridges" especially in the procurement of technology. Lawrence Barker, NYSID suggested Mr. Kost make his presentation for the Legislature. Mr. Russell stated that legislative representatives were invited to the session on January 30. The Council agreed that Mr. Kost should be invited to deliver his message again to a selected audience of decision makers. The power point used by Mr. Kost is attachment 1.

Comments from Local Purchasing Groups. Thomas Myles, President of the NYC Chapter of the National Institute of Governmental Purchasing (NIGP) and member of the State Association of Municipal Purchasing Officials (SAMPO) spoke to the Council. A copy of Mr. Myles remarks are attached (attachment 2).

Strategic Plan Review. Several workgroups reported on their activities.

Legislative workgroup. Anne Phillips, OGS Counsel's Office stated that OGS would be proposing a departmental bill #OGS 2. The proposed bill is not available for publication at this time but will be shared with Council members when released.

Joanne Fazioli asked if the proposal recommends the procurement of printing be handled similarly to the procurement of other commodities. Ms. Phillips responded that it did.

Lawrence Barker asked if the proposal addressed the Sunset provision of procurement act. Ms. Phillips stated that OGS decided not to include a request to extend or eliminate the sunset provision. It is felt that including such a request could affect action on the bill at this time thereby jeopardizing other more critical recommendations.

IT Procurement Streamlining. Gregory Benson, New York State Forum or Information Resource Management (NYSFIRM) provided a written report (attachment 3) of the activities of the IT Procurement Streamlining workgroup. Mr. Benson emphasized the need for the private sector to gain more understanding of how government procures,

especially IT procurement. He stated that a workshop entitled "Doing IT Business with New York" has been conducted twice to sell out audiences. The workshop will be offered again on March 26 and registration has already exceeded 300 responses. Mr. Benson also stressed the importance of the Council's action in the review of the procurement process and how it relates to the spirit and letter of laws governing procurement (State Finance, General Municipal and Education Law). He also stated that another priority of the Council should be to better prepare both governmental and private sector individuals involved in the procurement process.

Alternate Procurement Practices. Ms. Fazioli reported on the activities of this workgroup.

- Consortia - A meeting is scheduled with the NYS Attorney General and Medicaid attorneys.
- Piggybacking - The workgroup decided that this method of procurement works well and recommends that the Council encourage agencies to take advantage of the option to utilize this procurement method. The predominant user of this method is the Office of General Services. The guidelines describing the process are adequate.
- Strategic Partnerships - There has been only one strategic partnership pilot. There is concern that existing guidelines are not fully compliant with legislation. Susan Zeronda will be drafting a list of bullet points addressing issues about strategic partnerships. A definition of risk is needed.

Steve Ennis asked what SUNY's position is regarding the Governor's recent announcement to privatize the SUNY hospitals. Ms. Fazioli stated that the Governor's bill directs the University to do a feasibility study.

SUNY Flex. Ms. Fazioli presented an overview to the Council about the SUNY campus certification program. A copy of SUNY's MOU with the Office of the State Comptroller was provided to Council Members (attachment 4). The MOU outlined the increased purchasing levels available to certified campuses and described the criteria used to grant certification or re-certify campuses. Ms. Fazioli stated that since the inception of the SUNY flex program some campuses have had certification rescinded and some uncertified campuses have achieved certified status.

Ms. Zeronda asked what the purchase volume was for a campus. Ruth Walters stated that the purchase volume for many campuses would be similar to a medium sized state agency.

Jeffrey Boyce asked what criteria were used during the certification audit of a campus. Ms. Fazioli stated that the audit plan considers the procurement cycle process, publication, testing of receipts, accounts payable functionality, etc. - similar to an OSC purchasing audit.

Preferred Sources Corporate Partnering. Lawrence Barker, New York State Industries for the Disabled (NYSID) presented information to the Council describing four currently operational corporate partnerships between NYSID and four private sector companies. Mr. Barker also discussed several areas of service under consideration for such partnering. A copy of the presentation was provided to Council members (attachment 5).

Leon Aronowitz stated that furniture installation service is an option useful to State agency purchasers. Such service is not currently available using the State contract for furniture.

Adding services to preferred source offerings. Steven Ennis of Industries for the Blind of New York State (IBNYS) spoke about the difficulty preferred sources encounter attempting to provide the Council with sufficient information to act on a request to add a new service to the list of offerings. The methodology currently used to provide information to the Council for review was developed primarily for the addition of commodities. Mr. Ennis reviewed the existing legislative requirements related to adding items to the list of preferred source offerings. He expressed frustration about the inability to provide sufficient information to the Council for their review. Mr. Ennis informed the Council that IBNYS would be seeking approval for the addition of two services to their list of offerings. The two services are CD replication and call center service. He indicated that the applications had not been submitted to OGS 6 weeks in advance of the Council meeting and therefore did not comply with the guideline for submittal. Since the applications were so recently submitted OGS and ESD have not had sufficient time to perform their review. IBNYS will be seeking Council approval for the two services at a future meeting. Mr. Ennis explained that the Association for the Blind and Visually Impaired (ABVI)/Goodwill Industries of Rochester is working with Kodak to provide CD replication service. ABVI/Goodwill currently has contracts with private industry and federal government contracts to provide this service. The same workshop is preparing to provide call center services. IBNYS will continue to work with OGS and ESD.

A discussion ensued about piloting the provision of service to a state agency. A pilot for service not exceeding \$100,000 annual value would be acceptable within the Council's guideline for OGS delegated approval authority. Piloting a service such as CD-replication or call center services may provide the information needed by the Council to make their determination for approval. Paula Moskowitz suggested IBNYS seek local government contracts. She stated that the City of New York contracts for call centers and CD-replication. Mr. Ennis emphasized that the spirit of the preferred source legislation is to give people with disabilities a chance and stressed that breaking into new markets is critical to establishing employment opportunities. Mr. Barker stated that NYSID also seeks to expand the opportunities for disabled individuals and experiments with single agency users, which could be considered pilots, but that they also have a difficulty presenting information to the Council for review for the addition of services to the list of offerings. Volunteers are sought to participate in a workgroup to study this issue.

Ms. Moskowitz distributed a copy of the Council's guidelines for adding a commodity or service to the list of preferred source offerings including the Council's recommendation for preferred source application approval (attachment 6). These guidelines and recommendation may be revised as a result of the previously mentioned workgroup findings. Also distributed was a Report to the Council of items that were added to the list of preferred source offerings in 2002 (attachment 7).

Appendix A. Anne Phillips discussed the draft Procurement and Disbursement Guidelines Bulletin (2/5/03) (attachment 8) detailing changes to Appendix A. A revised version is under review and will be final with consensus of several agencies including: the Department of Law, the Office of the State Comptroller, Office of General Services, Department of Labor, etc. Ms. Phillips asked for Council approval to replace the version of Appendix A currently available at the Procurement Council Website with the

revised document when consensus is reached. A motion was made to replace the document. Seconded and adopted unanimously.

The Council acknowledged its gratitude for the dedication, leadership and patience demonstrated by Paula Moskowitz since its inception and wished her success in her retirement.

Next Meeting. The next Council meeting is tentatively planned for May 6, 2003.

Att.

Attending:	Leon Aronowitz	Steven Ennis	Robert Pape
	Lawrence Barker	Joanne Fazioli	Barrett Russell
	Jeffrey Boyce	Joseph Girven	Deirdre Taylor
	Frank	Stewart Kidder	Susan Zeronda
	DiDomenico		
	Joseph Donohue	Robert Reed	Ruth Walters
Absent:	Karen Gordon		
	John Pfeifer		

**NYS PROCUREMENT COUNCIL
VOTING RECORD**

Date: February 25, 2003

QUESTION, MOTION OR ISSUE: To adopt the draft Minutes of the Meeting for

November 21, 2002.

<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 (Ruth Walters)	X			
DIRECTOR OF THE BUDGET Deirdre Taylor	X			
COMMISSIONER OF ECONOMIC DEVELOPMENT Jeffrey Boyce	X			
AGENCY REPRESENTATIVES:				
Margaret Becker – Ag. & Mkts. (Joseph Donohue)	X			
Stewart Kidder – Corrections	X			
Joanne Fazioli – SUNY	X			
Frank DiDomenico – OMR/DD	X			
Robert Reed – Health	X			
Michael McCormack - OFT (Susan Zeronda)	X			
Barbara Miller – OMH (Leon Aronowitz)	X			
AT LARGE MEMBERS:				
Steven Ennis	X			
Joseph Girven	X			
Robert Pape	X			
John Pfeifer				X
COMMISSIONER OF GENERAL SERVICES Barrett Russell	X			

**NYS PROCUREMENT COUNCIL
VOTING RECORD**

Date: February 25, 2003

QUESTION, MOTION OR ISSUE: To replace Appendix A on Procurement Council website

with revised document.

<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 (Ruth Walters)	X			
DIRECTOR OF THE BUDGET Deirdre Taylor	X			
COMMISSIONER OF ECONOMIC DEVELOPMENT Jeffrey Boyce	X			
AGENCY REPRESENTATIVES:				
Margaret Becker – Ag. & Mkts. (Joseph Donohue)	X			
Stewart Kidder – Corrections	X			
Joanne Fazioli – SUNY	X			
Frank DiDomenico – OMR/DD	X			
Robert Reed – Health				X
Michael McCormack - OFT (Susan Zeronda)				X
Barbara Miller – OMH (Leon Aronowitz)	X			
AT LARGE MEMBERS:				
Steven Ennis	X			
Joseph Girven	X			
Robert Pape	X			
John Pfeifer				X
COMMISSIONER OF GENERAL SERVICES Barrett Russell	X			

