

## MEMORANDUM

May 29, 2003

TO: Procurement Council Members

FROM: Barrett Russell

SUBJECT: Minutes of the Meeting for May 6, 2003

Enclosed for your review are draft Minutes of the Procurement Council meeting of May 6. The next meeting is tentatively scheduled for Friday, September 26.

If you have comments or suggested changes, or would like to propose agenda items for the September meeting, please contact Ginny Lazzaro at (518) 486-7323 or e-mail [virginia.lazzaro@ogs.state.ny.us](mailto:virginia.lazzaro@ogs.state.ny.us).

Enclosures

cc: Commissioner Ringler  
R. Fleury  
A. Phillips  
W. Bikowitz

**Minutes of the Meeting  
NYS Procurement Council  
May 6, 2003 - 10:30 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 the Meeting February 25, 2003.** Joanne Fazioli made a motion to correct the minutes of the February 25 meeting. Page 2 paragraph 3 is corrected to read: "SUNY supports the Governor's directive for a study of the feasibility of an alternative framework for hospital operations." The minutes were adopted with the noted correction.
- III. Appendix A.** Anne Phillips described the following changes to Appendix A (attachment 1):

Item 5 Non-discrimination requirements - the following classifications were added "...sexual orientation, ...genetic predisposition or carrier status...:

Item 22 Purchase of Apparel. This item requires contractors to certify that apparel is manufactured in compliance with all labor and occupational safety laws.

Ms Fazioli asked if this new section included the 9-11 registry. Ms Phillips stated that the registry is still in development therefore the registry is not included.

A third proposed change to Appendix A was reference to the Labor Neutrality Law. This revision was not included because there is currently a court case involving the Department of Labor (DOL). Susan Zeronda asked if the provisions of this law were mandatory regardless of the court action. Ms. Philips answered that the Law does not require that a statement be included in all contracts. Ms. Phillips will report to the Council periodically the status of the DOL litigation.

**Status of legislation.** Ms. Phillips provided a list of bills under consideration that have an impact on procurement and reported on the legislative activity (attachment 2).

**IT workgroup report.** Greg Benson reported to the Council the latest activities of the IT workgroup (attachment 3).

Mr. Benson stated that the workgroup is considering a review of the State Finance Law and has talked to the Government Law Center at Albany Law School as a

resource for this review. Additional action on this initiative is predicated on support from the Procurement Council and other policy makers.

The IT workgroup will meet again in late May or early June.

**Preferred Sources application workgroup.** Mr. Russell introduced Jerry Gerard the new Deputy Director for the Procurement Services Group and stated that Mr. Gerard will head the workgroup to study Preferred Sources application procedures. Mr. Russell acknowledged that in addition to Council review and approval of applications there is an ongoing responsibility borne by PSG for review of price increase requests and approval of individual service projects.

Several Council members/delegates volunteered to serve on the workgroup: Steven Ennis (IBNYS), Andy Grosso (NYSID), Joanne Fazioli (SUNY), Ruth Walters (OSC), George Konta (TAX), and Stewart Kidder (DOCS). A notice will be sent to Council members requesting additional volunteers.

**Preferred Source applications.** Steven Ennis of Industries for the Blind of NYS stated that IBNYS is seeking Council approval for two applications of service offerings - Call Center Services and CD Replication Service (attachment 4). Mr. Ennis introduced Dr. Larry Clever who provided background for the two applications. Copies were provided to Council members.

Call Center Services - Inbound teleservice and fulfillment services, outbound telephone survey and fulfillment services. These services do not include the provision or installation of telephone hardware/software or ancillary services.

Eileen Germain asked why IBNYS has not used the Contract Reporter to identify opportunities. Mr. Ennis explained that without preferred source designation agencies are not willing to utilize the service provided by IBNYS.

Joseph Girven read excerpts from a memo written by Jeffrey Boyce, ESD, (copy attached) expressing concern about the effect approval of this application would have on NYS businesses. Mr. Ennis assured the Council that the call center being considered would not seriously impact ongoing business in New York. The ABVI-Goodwill Industries of Rochester call center has a 12-station capacity with the capability to expand to 40 stations. There is no expectation to expand this call center beyond the 40 stations. Mr. Ennis also stated that there is no intention on the part of IBNYS to solicit commercial business. The purpose of this application is to be able to seek State government business.

Additionally, Mr. Ennis offered that allowing IBNYS to offer this service and expand its current business in this area will create a pool of potential employable candidates as trainees move beyond this program.

Ruth Walters asked if there is a conflict with State agencies already performing this service. Ms. Fazioli stated that SUNY has a few internal call center operations but has no intention of outsourcing their call center needs.

Robert Reed stated that the Health Department occasionally obtains contracted call center services as part of a broader contract and asked if this type of contract would be affected by approval IBNYS application. Mr. Ennis stated that there would be no obligation on the part of an agency to separate call center services from a larger proposal. But, if the call center component could be easily separated and the agency would be willing, IBNYS would enjoy the opportunity to meet an agency's service needs.

Ms. Walters asked if OGS would provide guidance about whether or not the IBNYS Service would meet the "form, function and utility test." Walter Bikowitz responded that each agency would be responsible for making that determination.

Ms. Zeronda asked if IBNYS intended to provide first level help desk service. Mr. Ennis responded that IBNYS is not prepared nor is it their intention to provide technical service or provide call center services if specialized judgment is required.

Ms. Zeronda asked about how the pricing for this service would be structured. Mr. Ennis stated that since each project would have its own requirements pricing would be customized to the application.

Ms. Zeronda asked if call center services were available on the IT services contract. Mr. Bikowitz answered that more technical "help desk" type call center service is included on the IT services backdrop contract with not to exceed pricing. The mini-bid phase of the contract process determines actual price for the service.

Mr. Russell interjected that simple pricing will not be easily determined and expects that this is one of the issues the workgroup will look at.

Frank DiDomenico asked how many private sector employees are involved in this activity in New York State. Mr. Ennis stated that their research showed that there are 190 New York companies employing approximately 8,700 employees. Deirdre Taylor suggested that the Council approve the application with a cap on the number of permitted stations to minimize the impact on NYS business. Mr. Ennis agreed that the service would be limited to the Rochester ABVI-Goodwill Industries location with a capacity not to exceed 40 stations.

Mr. Russell called for a vote with the stipulation that if IBNYS considers expanding beyond 40 stations or to sites other than the Rochester site, Council approval must again be obtained.

A motion was made to add a 40 or fewer station call center service at the ABVI-Goodwill Industries of Rochester. Such service may include inbound telereponse and fulfillment services, outbound telephone survey and fulfillment services, but not the provision or installation of telephone hardware/software or ancillary services. The motion was passed by a vote of 10 in favor 3 opposed.

CD Replication

Mr. Russell asked about the capacity of the system used by the ABVI-Goodwill Industries of Rochester. Mr. Ennis stated that their operation would be seeking minimum runs of 50,000 cd's.

Ms. Fazioli commented that at present the equipment would seem to be underutilized. Mr. Ennis agreed and added that the underutilization has prompted the request that this service be included an approved offering of IBNYS.

Mr. Russell asked if there were competing patents for the technology employed in this process. Dr. Clever stated that to the best of his knowledge there was not.

Ms. Fazioli asked how long IBNYS has been providing this service. Dr. Clever replied 18 months.

Ms. Walters made a motion to approve the application for CD replication. The motion was carried by a vote of 11 in favor, 2 opposed.

**Next meeting.** The next meeting of the Procurement Council is tentatively scheduled for Friday, September 26, 2003.

Att.

Members/designees  
attending:

Robert Barnes	Joseph Girven	Barrett Russell
Frank DiDomenico	Stewart Kidder	Deirdre Taylor
Steven Ennis	Barbara Miller	Ruth Walters
Joanne Fazioli	Robert Reed	Susan Zeronda
Eileen Germain	Lucy Roberson	

Members absent:

Lester Cornelius	Robert Pape
Karen Gordon	John Pfeiffer

Others attending:

Greg Benson, NYSFIRM  
Walt Bikowitz, OGS PSG  
Larry Clever, IBNYS  
Anne Phillips

**NYS PROCUREMENT COUNCIL - VOTING RECORD**

Date: May 6, 2003

QUESTION, MOTION OR ISSUE: To adopt the draft Minutes of the Meeting for February 25, 2003

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
<b>OFFICE OF THE STATE COMPTROLLER</b> Lynn Canton (Ruth Walters)	X			
<b>DIRECTOR OF THE BUDGET</b> Deirdre Taylor (Robert Barnes)	X			
<b>COMMISSIONER OF ECONOMIC DEVELOPMENT</b> Jeffrey Boyce (Eileen Germain)	X			
<b>AGENCY REPRESENTATIVES:</b>				
Margaret Becker – Ag. & Mkts. (Lucy Roberson)	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	X			
<b>AT LARGE MEMBERS:</b>				
Lester Cornelius				X
Steven Ennis	X			
Joseph Girven	X			
Robert Pape				X
Karen Gordon				X
John Pfeifer				X
<b>COMMISSIONER OF GENERAL SERVICES</b> Barrett Russell-	X			

**NYS PROCUREMENT COUNCIL - VOTING RECORD**

Date: May 6, 2003

QUESTION, MOTION OR ISSUE: Add a preferred source offering for ABVI-Goodwill Industries, Rochester to provide call center services defined as: inbound teleservice and fulfillment services outbound telephone survey and fulfillment services, excluding the provision or installation of telephone hardware/software or ancillary services. The operation will be limited to 40 or fewer stations.

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
<b>OFFICE OF THE STATE COMPTROLLER</b> Lynn Canton (Ruth Walters)	X			
<b>DIRECTOR OF THE BUDGET</b> Deirdre Taylor	X			
<b>COMMISSIONER OF ECONOMIC DEVELOPMENT</b> Jeffrey Boyce (Eileen Germain)		X		
<b>AGENCY REPRESENTATIVES:</b>				
Margaret Becker – Ag. & Mkts. (Lucy Roberson)	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	X			
<b>AT LARGE MEMBERS:</b>				
Lester Cornelius				X
Steven Ennis	X			
Joseph Girven		X		
Robert Pape				X
Karen Gordon				X
John Pfeifer				X
<b>COMMISSIONER OF GENERAL SERVICES</b> Barrett Russell-	X			

**NYS PROCUREMENT COUNCIL - VOTING RECORD**

Date: May 6, 2003

QUESTION, MOTION OR ISSUE: Add a preferred source offering for ABVI-Goodwill Industries, Rochester to provide CD replication services.

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
<b>OFFICE OF THE STATE COMPTROLLER</b> Lynn Canton (Ruth Walters)	X			
<b>DIRECTOR OF THE BUDGET</b> Deirdre Taylor	X			
<b>COMMISSIONER OF ECONOMIC DEVELOPMENT</b> Jeffrey Boyce (Eileen Germain)		X		
<b>AGENCY REPRESENTATIVES:</b>				
Margaret Becker – Ag. & Mkts. (Lucy Roberson)	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	X			
<b>AT LARGE MEMBERS:</b>				
Lester Cornelius				X
Steven Ennis	X			
Joseph Girven		X		
Robert Pape				X
Karen Gordon				X
John Pfeifer				X
<b>COMMISSIONER OF GENERAL SERVICES</b> Barrett Russell-	X			