

**Draft Minutes of the Meeting**  
**New York State Procurement Council**  
**June 15, 2011 - 11:00 A.M.**  
**Meeting Room 6**  
**North Concourse**  
**Empire State Plaza**  
**Albany, NY**

**I. Call to Order**

Anne Phillips, Chair of the State Procurement Council, called the meeting to order at 11:15 A.M. and thanked everyone for attending. Ms. Phillips introduced the Commissioner of the Office of General Services (OGS) RoAnn Destito.

Commissioner Destito thanked Anne and the Council for their leadership in the area of procurement. She stated that she is looking forward to being a part of the procurement transformation process that is currently underway, which is intended to reform, regroup, and retrain procurement in New York State. The Commissioner advised that the Governor has tasked OGS with strategic sourcing, which recognizes the goals the Governor has put in place for MWBE and Preferred Sources. Commissioner Destito said that she is looking forward to the savings which are expected to result from the use of new technology and improved processes. She also spoke about the importance of maximizing the enterprise buying power of the State of New York. The Commissioner recognized the Procurement Council's important role in this process and looks forward to working together to accomplish these goals.

Ms. Phillips introduced Michael Hurt, who was recently confirmed as a Council member to represent the Department of Correctional Services (DOCS). Ms. Phillips also noted the attendance of Carol Casale, representing the Department of Agriculture & Markets. Ms. Casale was attending the Procurement Council meeting as an alternate for the first time.

Yrthya Dinzey-Flores, Chief Diversity Officer, introduced Dean Bennett, the new Director for the Office of Minority & Women's Business Development within Empire State Development. Ms. Dinzey-Flores spoke to the strategy being developed to reach the Governor's goals of 20% state agency purchases from MWBE's and to help agencies better understand the regulations and roles each agency has in the process. A MWBE Team has been formed to identify barriers that had previously prevented agencies from reaching these goals. This MWBE Team will be using information already provided by Procurement Council Members, as well as from the New York State Disparity Study. She advised that the Annual Goal plans submitted by individual agencies are currently under review. In addition, the Chief Diversity Officer will be meeting with agency leadership to identify specific strategies to achieve MWBE goals. Ms. Dinzey-Flores indicated that guidance will be available in the near future to assist agencies in complying with the regulations related to Executive Law Article 15-A.

**II. Minutes of Meetings**

Ms. Phillips called for a motion to adopt the draft minutes from the January 25, 2011 meeting ([Attachment 1](#)). Ms. Dinzey-Flores suggested that the member affiliations be included in the section of the Minutes that reference those in attendance. The motion to accept the meeting minutes, with the revision to add member affiliations where missing in the minutes, was passed unanimously.

### III. New Business

Appendix A – Equal Employment Opportunity (EEO) Clause: Noreen VanDoren, OGS Legal Services, directed the Council Members attention to Appendix A – Standard Clauses for New York State Contracts (Attachment 2). Ms. VanDoren advised that the changes to Appendix A are within Clause 12 – Equal Employment Opportunities for Minorities and Women. Those changes are reflected as edits in the document and are being made to be consistent with the regulations adopted by Empire State Development in December 2010 and to include text which requires contractors to certify that their EEO policy includes the language contained within Clause 12. There being no questions from the floor, Ms. VanDoren asked for a motion to adopt these changes. This motion was made, seconded, and unanimously approved.

Risk Management & Insurance in Public Contracting: Ms. Phillips introduced David E. Winans, Esq. representing the New York State Council of Contracting Agencies (CCA). The CCA oversees policy and issues related to construction contracts. Mr. Winans presented an overview of Risk Management by introducing basic risk management principles, describing contractual protection, and explaining how insurance is used as a risk management tool. Ms. Phillips recognized the CCA and thanked them for creating the Procedure Manual for Insurance Requirements in Agreements (Manual). This Manual, intended as a model template for use in developing insurance requirements for contracts, was created as a working document with input from user agencies as well as representatives from the insurance industry. This document is intended to be used as a tool to provide guidance in the development of contract documents rather than being prescriptive in nature. Ms. VanDoren emphasized that this is a living document and will be subject to change as the requirements change. Ms. Phillips asked for a motion to accept the Manual as a guidance reference tool. The motion was made, seconded and adopted by the majority membership; one Council member abstained from voting.

Statewide Financial System (SFS): Ms. Phillips introduced Paul Kalinowski, representing the SFS project. Mr. Kalinowski reviewed the SFS Program Scope (Attachment 3) and reported that Phase I – Agency Activity is complete. The system is expected to go live October 1, 2011. Next steps as presented in the handout Ready, Set, Go-Live! (Attachment 4) include scheduling “Train the Trainer” sessions during July and August. These sessions will provide agencies the ability to train their agency staff on the use of this application. End User training, focused on specific questions related to system functionality, will be offered after the application goes live. Mr. Kalinowski said that a later phase of SFS will include a catalog for Preferred Source offerings. In response to a question from Council member Michael Hurt, Mr. Kalinowski clarified that details regarding ownership of the catalog have yet to be addressed. Diane Taylor, OSC, clarified the issue related to the assignment of new vendor identification numbers (VID). Unique VID’s will be used in the SFS instead of Federal Identification Numbers and VID’s have been issued to those vendors already registered with the On-Line Vendor Responsibility System or those who have contracts with state agencies. Vendors that have not yet been issued VID’s may contact the OSC Help desk for registration in the OSC VendRep system prior to bid or award.

Strategic Sourcing: Ms. Phillips introduced members of the Strategic Sourcing Project (Project), including Rob Friess and Ken Rogel (Accenture) and Project Manager Patty Billen (Division of the Budget). Mr. Friess advised that since the update at the January 25, 2011 meeting, Project staff have embarked upon a comprehensive review of statewide spend analysis of individual agencies, including a review of sales to agencies by major suppliers to the state. Fifteen sourcing categories have been identified. Additional updates on this project will be offered at the September 30, 2011 Procurement Council Meeting.

Procurement Related Legislation: Ms. Phillips advised that presently there is only one bill before the legislature related to procurement. Bill #4855 introduced by Senator Montgomery and Assemblyperson Lipton as Bill #87515 proposes the addition of a new member to the Procurement Council, representing the agricultural interests of the State. Council members will be advised if the bill is passed.

Article 9 of the Prevailing Wage Law: Ms. VanDoren advised the Council that the procedures regarding the prevailing wage schedules under Article 9 of the Prevailing Wage Law were amended effective August 1, 2010, the effect of which is that prevailing wage schedules issued under Article 9 are only effective for a one year period (July 1-June 30). The wage rates in effect at the time the actual service is performed must be paid, rather than the wage in the schedule at the time of the contract solicitation. The new wage rate procedures

apply to all contracts awarded after August 1, 2010 and to contracts entered into before August 1, 2010 if the contract is revised, renewed, extended, or amended.

Procurement Record Checklist: Ms. VanDoren brought the Council members attention to The Procurement Record and Checklist updated May 2011 ([Attachment 5](#)). Ms. VanDoren stated that the changes highlighted are to be used for contracts submitted to OSC after the SFS "Go-Live" date of October 1, 2011. Council Members were asked to review this document and submit recommendations to the attention of Ms. VanDoren at [Noreen.vandoren@ogs.ny.gov](mailto:Noreen.vandoren@ogs.ny.gov) or the Procurement Council mailbox at [Procure.Council@ogs.ny.gov](mailto:Procure.Council@ogs.ny.gov). This item will be put on the agenda for the September meeting.

Agri-Business Outreach: Ms. Phillips introduced Patrick Hooker, Director – Agri-Business Outreach with Empire State Development. Mr. Hooker brought the Council's attention to the handout from the New York State Council on Food Policy (Food Policy) highlighting Key Issue Area 2: Strengthen the Connection between Local Food Products and Consumers ([Attachment 6](#)). Mr. Hooker relayed that the Food Council would like the Procurement Council to consider these recommendations and to provide comments on this document, especially Item #5 – Define "Local Food" and Set Procurement Goals of Local Food. Ann McMahon, Coordinator for the NYS Council on Food Policy advised that the document may be viewed in its entirety at: <http://www.nyscfp.org/reporttogov.html>. The Food Council further advised that it would like the category for local farm products to be included in strategic sourcing.

Preferred Source Recommendation under OGS Standing Authority: Don Greene, OGS, provided an overview of 15 new commodity applications approved by OGS during the period March 2011 through May 2011. These new commodities represent a total of six Full Time Equivalents (FTE's) with an estimated \$2 million in annual volume. The detailed summary of these commodities may be viewed as Preferred Source Applications Approved by OGS - March 2011 thru May 2011 ([Attachment 7](#)).

2011 State Purchasing Forum: Mr. Greene reported that the New York State Purchasing Forum was held May 18 and 19, 2011, at the Empire State Plaza in Albany. Mr. Greene thanked OSC for partnering with OGS in hosting this successful event. The two day program provides training for approximately 1,300 attendees representing both State and Local Governments. The trade show portion of the event included 89 exhibitors representing New York State contractors, Preferred Source providers, and State agencies. A total of 21 separate training sessions were offered with OSC offering five separate training sessions focused on the new Statewide Financial System (SFS). Training videos of those sessions that were taped are posted on the OGS Website and may be found at the following address:

<http://www.ogs.state.ny.us/BU/PC/BuyerInfo.asp> under Educational Resources & Training.

#### **IV. Open Council Discussion**

Questions raised during Open Council Discussion have been included under the specific topic headings listed above.

#### **V. Closure**

The next meeting of the Procurement Council is tentatively scheduled for September 20, 2011. An agenda will be circulated in advance of the meeting. There being no further business, the meeting was adjourned at 1:00 P.M.

#### **NEXT MEETING**

Wednesday, September 20, 2011 @ 11:00 A.M.

Meeting Room 6 - North Concourse Level, Empire State Plaza

Attachments

**Members in Attendance on June 15, 2011**

Charlotte Breeyear - OSC  
Carol Casale – Ag & Mkts  
Robert Coyner - OPWDD  
Yrthya Dinzey-Flores – Chief Diversity Officer  
Nancy Fisher - ESD  
James Haggerty – NYS Council of Veterans  
Richard Healey - IBNYS  
Marybeth Hefner – DOH

Thomas Hippchen - SUNY  
Michael Hurt - DOCS  
Mary McGinty - OFT  
Gerard Minot-Scheurmann - DOB  
Anne G. Phillips - OGS  
David Russo - OMH  
Ron Romano - NYSID

**Also in Attendance:**

Don Greene - OGS

Noreen VanDoren - OGS

**Members Absent:**

Edul Ahmad – The Ahmad Group  
Rashida Mendes – RM Capital, LLC

Richard St. Paul – Local Government Representative  
Gregory Weston – Nixon Peabody, LLP

**NYS PROCUREMENT COUNCIL  
VOTING RECORD**

Meeting Date:

**June 15, 2011**

QUESTION, MOTION OR ISSUE:  
affiliations next to people's names.

**Accept the January 25, 2011 Meeting Minutes with the addition of**

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
<b>COMMISSIONER OF GENERAL SERVICES</b> Anne G. Phillips (Noreen VanDoren) (Don Greene)	x			
<b>CHIEF DIVERSITY OFFICER</b> Yrthya A. Dinzey-Flores	x			
<b>OFFICE OF THE STATE COMPTROLLER</b> Margaret Becker (Charlotte Breeyear)	x			
<b>DIRECTOR OF THE BUDGET</b> Susan Knapp (Gerard Minot-Scheurmann) (Lorraine King)	x			
<b>COMMISSIONER OF ECONOMIC DEVELOPMENT</b> Steven Cohen (Nancy Fisher)	x			
<b>AGENCY REPRESENTATIVES:</b>				
Robert Haggerty – Ag. & Mkts. (Lucy Roberson) (Carol Casale)	x			
Michael Hurt –DOCS (Michael Elmendorf) (Nanette Ferri)	x			
Thomas Hippchen - SUNY (Kellie Dupuis)	x			
John Smith - OPWDD (Robert Coyner)	x			
Marybeth Hefner - DOH (Frederick J. Genier)	x			
Catherine Durand – OFT (Mary McGinty)	x			
David Russo – OMH (David Milstein) (Marc Kleinhenz)	x			
<b>AT LARGE MEMBERS:</b>				
Richard Healey	x			
James Haggerty	x			
Rashida Mendes				x
Richard St. Paul				x
Gregory Weston				x
<b>NON-VOTING</b>				
Edul Ahmad				
Ron Romano				



**NYS PROCUREMENT COUNCIL  
VOTING RECORD**

Meeting Date:

**June 15, 2011**

QUESTION, MOTION OR ISSUE:  
**Opportunity Clause**

**Adopt changes to clause 12 of Appendix A –Equal Employment**

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
<b>COMMISSIONER OF GENERAL SERVICES</b> Anne G. Phillips (Noreen VanDoren) (Don Greene)	x			
<b>CHIEF DIVERSITY OFFICER</b> Yrthya A. Dinzey-Flores	x			
<b>OFFICE OF THE STATE COMPTROLLER</b> Margaret Becker (Charlotte Breeyear)	x			
<b>DIRECTOR OF THE BUDGET</b> Susan Knapp (Gerard Minot-Scheurmann) (Lorraine King)	x			
<b>COMMISSIONER OF ECONOMIC DEVELOPMENT</b> Steven Cohen (Nancy Fisher)	x			
<b>AGENCY REPRESENTATIVES:</b>				
Robert Haggerty – Ag. & Mkts. (Lucy Roberson) (Carol Casale)	x			
Michael Hurt –DOCS (Michael Elmendorf) (Nanette Ferri)	x			
Thomas Hippchen - SUNY (Kellie Dupuis)	x			
John Smith - OPWDD (Robert Coyner)	x			
Marybeth Hefner - DOH (Frederick J. Genier)	x			
Catherine Durand – OFT (Mary McGinty)	x			
David Russo – OMH (David Milstein) (Marc Kleinhenz)	x			
<b>AT LARGE MEMBERS:</b>				
Richard Healey	x			
James Haggerty	x			
Rashida Mendes				x
Richard St. Paul				x
Gregory Weston				x
<b>NON-VOTING</b>				
Edul Ahmad				
Ron Romano				

**NYS PROCUREMENT COUNCIL  
VOTING RECORD**

Meeting Date:

**June 15, 2011**

QUESTION, MOTION OR ISSUE: **Approve the Procedure Manual for Insurance Requirements in Agreements as a guidance document**

<u>MEMBER</u>	<u>VOTE</u>			
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
<b>COMMISSIONER OF GENERAL SERVICES</b> Anne G. Phillips (Noreen VanDoren) (Don Greene)	x			
<b>CHIEF DIVERSITY OFFICER</b> Yrthya A. Dinzey-Flores			x	
<b>OFFICE OF THE STATE COMPTROLLER</b> Margaret Becker (Charlotte Breeyear)	x			
<b>DIRECTOR OF THE BUDGET</b> Susan Knapp (Gerard Minot-Scheurmann) (Lorraine King)	x			
<b>COMMISSIONER OF ECONOMIC DEVELOPMENT</b> Steven Cohen (Nancy Fisher)	x			
<b>AGENCY REPRESENTATIVES:</b>				
Robert Haggerty – Ag. & Mkts. (Lucy Roberson) (Carol Casale)	x			
Michael Hurt –DOCS (Michael Elmendorf) (Nanette Ferri)	x			
Thomas Hippchen - SUNY (Kellie Dupuis)	x			
John Smith - OPWDD (Robert Coyner)	x			
Marybeth Hefner - DOH (Frederick J. Genier)	x			
Catherine Durand – OFT (Mary McGinty)	x			
David Russo – OMH (David Milstein) (Marc Kleinhenz)	x			
<b>AT LARGE MEMBERS:</b>				
Richard Healey	x			
James Haggerty	x			
Rashida Mendes				x
Richard St. Paul				x
Gregory Weston				x
<b>NON-VOTING</b>				
Edul Ahmad				
Ron Romano				