

# STATE OF NEW YORK

8549

2021-2022 Regular Sessions

## IN ASSEMBLY

December 13, 2021

Introduced by M. of A. BURDICK -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the state finance law, in relation to preferred source status for entities that provide employment to certain persons

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraphs d, e and f of subdivision 2, subparagraph (iii)  
2 of paragraph a and the opening paragraph of paragraph b of subdivision 4  
3 and subdivisions 6, 7 and 8 of section 162 of the state finance law,  
4 paragraphs d and e of subdivision 2 as amended and paragraph f of subdivi-  
5 sion 2 as added by chapter 501 of the laws of 2002, subparagraph (iii)  
6 of paragraph a and the opening paragraph of paragraph b of subdivision 4  
7 and subdivisions 6 and 8 as added by chapter 83 of the laws of 1995,  
8 paragraphs a and d of subdivision 6 as amended by section 164 of subpart  
9 B of part C of chapter 62 of the laws of 2011, paragraph e of subdivi-  
10 sion 6 as amended by chapter 265 of the laws of 2013, subdivision 7 as  
11 amended by chapter 426 of the laws of 2002 and paragraph a of subdivi-  
12 sion 8 as amended by chapter 95 of the laws of 2000, are amended and two  
13 new subdivisions 10 and 11 are added to read as follows:

14 d. Commodities and services produced by any qualified charitable non-  
15 profit-making agency for other [~~severely~~] disabled persons approved for  
16 such purposes by the commissioner of education, or incorporated under  
17 the laws of this state and approved for such purposes by the commission-  
18 er of education;

19 e. Commodities and services produced by a qualified veterans' [~~work-~~  
20 ~~shop~~] entity providing job and employment-skills training to veterans  
21 where such a [~~workshop~~] entity is operated by the United States depart-  
22 ment of veterans affairs and is manufacturing products or performing  
23 services within this state and where such [~~workshop~~] entity is approved  
24 for such purposes by the commissioner of education; or

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 f. Commodities and services produced by any qualified charitable non-  
2 profit-making [~~workshop~~] entity for veterans approved for such purposes  
3 by the commissioner of education, or incorporated under the laws of this  
4 state and approved for such purposes by the commissioner of education.

5 (iii) When commodities are available, in the form, function and utili-  
6 ty required by, a state agency or political subdivision or public bene-  
7 fit corporation having their own purchasing agency, and such commodities  
8 are not available pursuant to subparagraphs (i) and (ii) of this para-  
9 graph, said commodities shall then be purchased from a qualified non-  
10 profit-making agency for other [~~severely~~] disabled persons, a qualified  
11 special employment program for mentally ill persons, or a qualified  
12 veterans' [~~workshop~~] entity; provided, however, the preferred source  
13 shall perform fifty percent or more of the work;

14 When services are available, in the form, function and utility  
15 required by, a state agency or political subdivision or public benefit  
16 corporation having their own purchasing agency, equal priority shall be  
17 accorded the services rendered and offered for sale by qualified non-  
18 profit-making agencies for the blind and those for the other [~~severely~~]  
19 disabled, by qualified special employment programs for mentally ill  
20 persons and by qualified veterans' [~~workshops~~] entities; provided,  
21 however, the preferred source shall perform fifty percent or more of the  
22 work. In the case of services:

23 6. Prices charged by agencies for the blind, other [~~severely~~] disabled  
24 and veterans' [~~workshops~~] entity.

25 a. Except with respect to the correctional industries program of the  
26 department of corrections and community supervision, it shall be the  
27 duty of the commissioner to determine, and from time to time review, the  
28 prices of all commodities and to approve the price of all services  
29 provided by preferred sources as specified in this section offered to  
30 state agencies, political subdivisions or public benefit corporations  
31 having their own purchasing office. The commissioner's price review and  
32 approval shall not be required for any purchases below two hundred fifty  
33 thousand dollars.

34 b. In determining and revising the prices of such commodities or  
35 services, consideration shall be given to the reasonable costs of labor,  
36 materials and overhead necessarily incurred by such preferred sources  
37 under efficient methods of procurement, production, performance and  
38 administration; however, the prices of such products and services shall  
39 be as close to prevailing market price as practicable, but in no event  
40 greater than fifteen percent above[~~7~~] the prevailing market prices  
41 [~~among responsive offerors~~] for the same or equivalent commodities or  
42 services.

43 c. Such qualified charitable non-profit-making agencies for the blind  
44 and other [~~severely~~] disabled may make purchases of materials, equipment  
45 or supplies, except printed material, from centralized contracts for  
46 commodities in accordance with the conditions set by the office of  
47 general services; provided that the qualified charitable non-profit-mak-  
48 ing agency for the blind or other [~~severely~~] disabled shall accept sole  
49 responsibility for any payment due the vendor.

50 d. Such qualified charitable non-profit-making agencies for the blind  
51 and other [~~severely~~] disabled may make purchases of materials, equipment  
52 and supplies directly from the correctional industries program adminis-  
53 tered by the commissioner of corrections and community supervision,  
54 subject to such rules as may be established from time to time pursuant  
55 to the correction law; provided that the qualified charitable non-pro-  
56 fit-making agency for the blind or other [~~severely~~] disabled shall

1 accept sole responsibility for any payment due the department of  
2 corrections and community supervision.

3 e. The commissioner of the office of children and family services  
4 shall appoint the New York state commission for the blind, or other  
5 non-profit-making agency, other than the agency representing the other  
6 [~~severely~~] disabled, to facilitate the distribution of orders among  
7 qualified non-profit-making charitable agencies for the blind. The state  
8 commissioner of education shall appoint a non-profit-making agency,  
9 other than the agency representing the blind, to facilitate the distrib-  
10 ution of orders among qualified non-profit-making charitable agencies  
11 for the other [~~severely~~] disabled and the veterans' [~~workshops~~]  
12 entities. The state commissioner of mental health shall facilitate the  
13 distribution of orders among qualified special employment programs oper-  
14 ated or approved by the office of mental health serving mentally ill  
15 persons.

16 f. The commissioner may request the state comptroller to conduct  
17 audits and examinations to be made of all records, books and data of any  
18 agency for the blind or the other [~~severely~~] disabled, any special  
19 employment program for mentally ill persons or any veterans' [~~workshops~~]  
20 entity qualified under this section to determine the costs of manufac-  
21 ture or the rendering of services and the manner and efficiency of  
22 production and administration of such agency or special employment  
23 program or veterans' [~~workshop~~] entity with relation to any product or  
24 services purchased by a state agency or political subdivision or public  
25 benefit corporation and to furnish the results of such audit and exam-  
26 ination to the commissioner for such action as he or she may deem appro-  
27 priate under this section.

28 7. Partnering with preferred sources. [~~The commissioner of the appro-~~  
29 ~~priate appointing agency as identified in paragraph e of subdivision six~~  
30 ~~of this section, shall conduct one or more pilot studies whereby a~~  
31 ~~private vendor may be accorded preferred source status for purposes of~~  
32 ~~this section. The pilot studies shall seek to ascertain the benefits of~~  
33 ~~partnerships between private industry and those entities accorded~~  
34 ~~preferred source status as specified in this section. Preferred source~~  
35 ~~status under a partnering arrangement may] Private vendors may be  
36 accorded preferred source status but only [~~be accorded~~] when a proposal  
37 to a soliciting agency for commodities or services includes a binding  
38 agreement with one or more of the entities accorded preferred source  
39 status under this section. The binding agreement shall provide that:~~

40 (i) The preferred source shall perform the majority of the work neces-  
41 sary to such offering, and

42 (ii) The partnering proposal includes bona fide long term employment  
43 opportunities for persons who [~~could otherwise be new clients~~] are  
44 clients of an entity [~~previously~~] accorded preferred source status here-  
45 in, and

46 (iii) The partnering proposal offers the solicited services or commod-  
47 ities at a price less than the price that otherwise would be charged by  
48 [~~a~~] the preferred source.

49 8. [~~a. The commissioner of the appropriate appointing agency shall~~  
50 ~~report by December thirty-first, two thousand four, to the governor, the~~  
51 ~~chairperson of the senate finance committee, the chairperson of the~~  
52 ~~assembly ways and means committee and the director of the budget, the~~  
53 ~~results and findings of each pilot study conducted, pursuant to subdivi-~~  
54 ~~sion seven of this section, and include recommendations for improving~~  
55 ~~partnering with preferred sources.~~

1 ~~b.~~] The council shall report to the governor, legislative fiscal  
2 committees and the director of the budget by December thirty-first,  
3 nineteen hundred ninety-five and thereafter annually, a separate list  
4 concerning the denial of any application made pursuant to paragraph (b)  
5 of subdivision three of this section, the reasons for such denial,  
6 whether such denial was appealed to the commissioner, and the final  
7 decision by the commissioner on such application.

8 10. For purposes of this section the term "political subdivision"  
9 shall have the same meaning as set forth in subdivision one of section  
10 one hundred of the general municipal law and shall include all "muni-  
11 pal corporations" as such term is defined in the opening paragraph of  
12 section two of the general municipal law.

13 11. The provisions of this section shall apply to any grants issued by  
14 the workforce development initiative and shall require utilization of at  
15 least fifteen percent of preferred sources for projects receiving such  
16 grants.

17 § 2. This act shall take effect immediately.