

STATE OF NEW YORK

7578--A

2021-2022 Regular Sessions

IN SENATE

December 8, 2021

Introduced by Sens. MANNION, JORDAN, PALUMBO, SKOUFIS, THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- recommitted to the Committee on Procurement and Contracts in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 to read
13 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-

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

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1 ment of veterans affairs and is manufacturing products or performing
2 services within this state and where such [~~workshop~~] entity is approved
3 for such purposes by the commissioner of education; or

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

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

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

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

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

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

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

53 d. Such qualified charitable non-profit-making agencies for the blind
54 and other [~~severely~~] disabled may make purchases of materials, equipment
55 and supplies directly from the correctional industries program adminis-
56 tered by the commissioner of corrections and community supervision,

1 subject to such rules as may be established from time to time pursuant
2 to the correction law; provided that the qualified charitable non-pro-
3 fit-making agency for the blind or other [~~severely~~] disabled shall
4 accept sole responsibility for any payment due the department of
5 corrections and community supervision.

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

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

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

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

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

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

52 8. [~~a. The commissioner of the appropriate appointing agency shall~~
53 ~~report by December thirty first, two thousand four, to the governor, the~~
54 ~~chairperson of the senate finance committee, the chairperson of the~~
55 ~~assembly ways and means committee and the director of the budget, the~~
56 ~~results and findings of each pilot study conducted, pursuant to subdivi-~~

~~sion seven of this section, and include recommendations for improving partnering with preferred sources.~~

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

§ 2. This act shall take effect immediately and shall not apply to any contracts or requests for proposals issued by government entities before such date.